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### Renault-Volvo Vs. Japan: Loser May Be The Germans

**Luxury Cars and Trucks** Of European Rivals Are Likely to Be Hurt

By Jacques Neher International Herald Tribune

PARIS—In coming together. Renault SA of France and Volvo AB of Sweden say they are erecting ramparts against an anticipated European onslaught by the Japanese. But the merger announced Monday in Paris may pose a more immediate threat to Germany's already trou-

Analysts say Renault-Volvo, by sharing costs, technology and quality improvement techniques, will be in a position to challenge Germany's luxury carmakers in markets throughout the world, and eventually in Germany in the control of the control of

In the truck market, they add, the merged entity leapfrogs to the No. 2 position and gives it new possibilities to take customers away from the market leader. Mercedes-Benz.

The deal, which accords the French 65 per-

cent control and the Swedes a 35 percent mi-

The group will continue to market cars under the Renault and Volvo brand names. Page 11.

nority position, will give birth on Jan. 1 to the sixth-largest automotive group in the world, with combined sales of 24t billion francs (\$41.5

Combining activities at the development and production level but retaining the respective Renault and Volvo brands will save as much as 30 billion francs by 2000. Pehr Gyllenhammar, chairman of Volvo AB, said Monday at a press conference in Paris,

"We aim to be one of the most profitable companies in our industry," said Mr. Gyllen-hammar, who becomes head of the new Re-

nault-Volvo executive committee.

"This will include sharing product development, production, logistics, distribution, and even marketing," he said, "Up to the client level, there are many things we can do together."

Louis Schweitzer, chairman of Renault, and soon to lead the management team of the merged company, said the marriage was necessitated in part, because of an agreement that will permit Japanese automakers to have free access to all of the European Community by 1999. The Japanese have been held in check up to now by strict quotas in France and Italy and by a series of unofficial accords to limit exports

to the Community. "In 1999, we will have no excuse for not succeeding against the Japanese," Mr. Schweitzer said. "We have to be ready."

In getting ready, Renault-Volvo should be able to do immediate damage to the cream of Germany's auto Industry - Mercedes-Benz, BMW, Porsche, as well as the luxury-class models of Ford and General Motors.

"With the excellent cost improvements that See MERGER, Page 13



Yasser Arafat and the Egyptian foreign minister, Amr Moussa, embracing at the Cairo airport Monday as the PLO chairman arrived from Syria for talks on the self-rule accord.

### On Clinton's Agenda, the Borrowed and the New

#### Back in Capital, Ready to Reinvent

By Ann Devroy Washington Past Service
WASHINGTON — Call it reinventing Bill

As the president spends a quiet weekend before an amhitious autumn of action. White House aides and advisers describe a boss who left for vacation last month bitter and exhausted after his first six months in office and who returned energized and committed to an ambitious agenda of proposals that will give him, in

effect, a chance to start over. Pointing to the centrist issues that the White ouse hopes will redefine Mr. Clinton, a senior aide said: "This is not just a new beginning. It is an effort to redefine in the public mind where this president is and where he is going."

And he added: "After being beaten bloody around the head and shoulders as a tax-and spend Democrat the past months, this will give the president the opportunity to be for some-thing America is for."

On the agenda; his bealth-care overhaul pro-posal, which is likely to dominate public debate through this year and next; his proposal to "reinvent government," and the fight over the North American Free Trade Agreement, All are intended to restore the image he had last November as the "new Democrat" who would offer a change not only from Republican refusal to deal with domestic problems but also from the old Democratic ideology.

White House hopes aside, the Clinton team has shown little evidence that it can manage to the president's advantage one major debate, much less three. He enters this phase of his presidency with almost as many Americans disapproving of his performance as approving it. As August ended, 64 percent believed the country was still on the wrong track, while 27 percent believed it was going in the right direction. That is an improvement from earlier polls.

And Mr. Clinton's efforts to redefine his image by setting the policy debate will not go See CLINTON, Page 3

#### **Bush's Economics Get Another Look**

By Sylvia Nasar New York Times Service

NEW YORK - Stuck with a tight budget and uncertain economic prospects, top eco-nomic advisers in the Clinton administration are looking at the same types of measures to stimulate the U.S. economy that the Bush administration used during the presidential election campaign last year.

The measures on the drafting table, which by and large would not require congressional approval, are being discussed by Labor Secretary Robert B. Reich, Laura D'Andrea Tyson, the head of the Council of Economic Advisers, and other high-level aides. The plans include speeding up work on military contracts or easing

egulations on government lending. Such steps are supposed to provide small but concentrated doses of job stimulus for selected industries, groups of workers and regions -California, in particular — in the event that the economy stalls or job growth fails to pick up.

"Several of us are developing ideas and exchanging memoranda with an eye toward advising the president on this matter." Mr. Reich said in an interview.

The measures are intended to affect the timing and targeting of spending, loans and tax collections without changing the overall budget tolals, as well as to stimulate private business activity by rewriting hanking, airline and other

Since the defeat of the administration's stimulus package by Congress, the economics team has been frustrated by the administration's lock of fiscal tools to bolster the modest and uneven economic recovery.

"Given defeat of the stimulus plan, given slow growth," an administration official said, "the question became, what could you do? Are there ways to stimulate the economy with little or no on-budget effects?"

Senator Bob Dole, the minority leader, who worked to defeat the administration's stimuluspackage during the spring, said: "It's fine with me as long as they don't overreach. They've got

While the broad outlines of a plan have been drafted, the specifics are far from final. "This has not reached the level of the full NEC," said Mr. Reich, referring to the National Economic Council. The president has made no decisions

Last year, the Bush administration used its discretionary authority to cut income tax withholding and to hasten Pentagon purchases of military hardware. Both actions were designed to lift confidence and economic growth.

At the time, the Clinton camp derided the moves as gimmicks, but now the Clinton economic advisers say the measures were effective in temporarily lifting growth and that their earlier criticisms had more to do with Mr. Bush's monivation - re-election - than with the methods he used.

Among the economie advisers involved, a range of views exists about when the contingen-

See STIMULUS, Page 12

### **Mideast Deal** To Be Signed Next Week, 2 Sides Say

Israeli-PLO Progress On Recognition Issue And Self-Rule Reported

By William E. Schmidt

New York Times Service
CAIRO — Increasingly confident that no
Arab government will now stand in the way of his peace accord with Israel, Yasser Arafat, the chairman of the Palestine Liberation Organiza-tion, returned to Cairo on Monday to put the finishing touches on a draft agreement that Egyptian officials say could be ready for sign-

ing in Washington next week.

After meeting with Mr. Arafat, aides to the Egyptian foreign minister, Amr Moussa, said they were still bopeful that they could complete the accord for signing "on or around" Sept. 13, the date proposed by the U.S. government. Discussions are now taking place to settle the issue of mutual recognition by Israel and the PLO, Eygptian and PLO aides said.

In Israel, Environment Minister Yossi Sarid said the two sides should sign the autonomy accord and documents on recognition next

U.S. worries that the deal won't go very far unless Assad can be brought in on it. Page 9.

week in Washington, Agence France-Presse re-

["Mutual recognition between Israel and the

PLO is on the right path, and there will be no going back." he said.]
In his latest flurry of Arab shuttle diplomacy.
Mr. Arafat failed Sunday to convince President

Hafez Assad of Syria to endorse the agreement. which already has the public backing of Jordan and Egypt. But the Syrian president, the most hard-line of Israel's Arah neighbors, also did not oppose the deal, saying only that the Pales-tinians should decide for themselves what best suited them.

Mr. Arafat's initiative Monday won the pubbe backing of the six wealthy governments of the Arab Gulf. In a communiqué issued following the two-day meeting of the Gulf Coopera-tion Council in Riyadh, the foreign ministers of Saudi Arabia, Kuwait, Qatar, Oman, Bahrain and the United Arab Emirates agreed to support the accord "as a first step toward reaching a just, lasting and comprehensive settlement" in

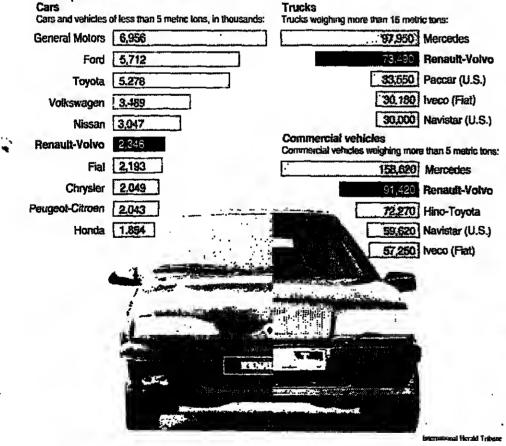
But the Gulf leadership, which had cut off payments to Mr. Arafat following his support for President Saddam Hussein of Iraq in the 1991 Gulf War, did not make any specific offer of financial ald to the Palestinians. The United States and its European allies have discussed putting together a package of financial support, including Arab money, for the West Bank and

Gaza, if the accord is signed. The most substantial Arab opposition facing Mr. Arafat continues to come from radical Palestinian groups. Twelve militant Palestinian and Islamic groups, meeting Monday in Leba-non, pledged to build a united from 10 defeat the accord, which would give the Palestinians limited self-rule in the Gaza Strip and the West Bank town of Jerieho, near the Jordan border.

Salah Zeidan, a leader of the Democratic Front for the Liberation of Palestine, one of the largest of 10 Damascus-based militant organizations opposed to Mr. Arafat's leadership, said the agreement "has destroyed all Palestin ian aspirations to build an independent Palestinian state." Shafik Hoot, the PLO representative in Lebanon, said be feared civil war

See PLO, Page 4

#### Renault-Volvo's World Ranking World production in 1992



#### Kiosk

#### Rutskoi Barred From His Desk

MOSCOW (Reuters) -Presidential security guards prevented the suspended Russian vice president, Alexander V. Rutskoi, and his staff from entering their offices Monday. the press agency ltar-Tass

investigation of corruption al legations, were under guard.

General News Ross Perot and 'family values'

Ferdinand Marcos's hometown prepares a bero's funeral, four years after his death. Page 8. Business/Finance

Mediobanca is tapping stockholders for cash. Page 11. China detailed anti-inflation Page 11. Books Page 5.

Chess Page 5.

It quoted a presidential spokes man as having said that both Mr. Rutskoi's office and that of Deputy Prime Minister Vladimir F. Shumeiko, who was also suspended pending

sustain political pull. Page 3.

### The writer of this article recently completed nearly five years as chief of the Beijing bureau of

The New York Times By Nicholas D. Kristof New York Times Service

Ever since the Opium War crupted 150 years ago, China has been groping for a way to regain the edge over the West that it enjoyed for most of recorded bistory.

Now, in the 1990s, China's leaders seem to think that they have found the way. The plan is to jettison communism -- but not

Communist Party rule - and move China's nearly 1.2 billion people into the East Asian tradition of free-market authoritarianism. Pioneered in the 1960s and 1970s by South Korea and Taiwan, this East Asian model combines barsh single-party rule with competition in the

China Gropes Toward Market-Leninism prods and the economy is prodded with market

> After Deng Xiaoping, China's current paramount leader, was purged in 1976, the People's Daily quoted Mao as saying that Mr. Deng "knows nothing of Marxism-Leninism." Mao may have been half-right, for Mr. Deng, 89, has advised visiturs from developing countries not to bother with Marxism.

At the same time, Mr. Deng and other Chr-nese leaders retain a fondness for Leninism, in the sense of highly disciplined one-party rule with centralized decision-making. Their aim is Market-Leninism In some ways, China already resembles Leo-

nid Brezhnev's Soviet Union or Erich Honecker's East Germany less than it does modern Indonesia: a nepotistic and corrupt dietator-ship that presides over a booming economy with both state and private sectors. Mao once

Union. Mr. Deng reserves his highest praise not for a socialist country but for that bastion of

capitalism, Singapore.

The attraction of Singapore is that it has achieved Western living standards without being infected by Western political standards. Singapore is a paramount leader's paradise, for it is populated by clean-cut, law-ahiding citi-zens who ohligingly use their hallots to keep their rulers in power.

"China's dream is to become another Singapore," a Western diplomat noted the other day. A few feet away, a foreign ambassador re-sponded without a pause, "It'll never happen." However, it is far more complicated to choreograph the transformation of a nation of t.2

billion people — including minorities like Tibetans - than it is to transform a city-state such as Singapore or an island like Taiwan. If China can make the metamorphosis, a new

### Europe's Soccer Champs Are Banned

ZURICH — Olympique Marseille, the European club soccer champion, was barred Monday from defending its title because of allegations that it attempted to bribe an opposing team's players before a league match

The sport's European governing body. UEFA, said preliminary results of a French eriminal investigation into allegations that Marseille tried to bribe Valenciennes players on May 19 "indicate that an irregularity had occurred in connection with the match in

An emergency session of UEFA's executive committee cited concerns about the sport's image and, under emergency statutes,

denied Marseille entry into the 1993-94 Euro- line - the same deadline UEFA gave French pean Champions' Cup. First-round play is to

Bernard Tapie, the controversial entrepreneur-politician who owns the Marseille club. announced plans later Monday to file a snit

The decision is a bold move that is dangerous for the sport, says Rob Hughes. Page 15.

Tuesday to force French soccer authorities to name Olympique Marseille as its representative in the championships and thus as the team that will plny AEK Athens Sept. 15 in defiance of the UEFA ruling. The suit seeks to set Wednesday as a deadofficials to choose a substitute team.

"The decision made by UEFA is contrary to all principles of law," said Francis Szpiner, Tapie's lawyer. "Olympique Marscille was not heard, an appeal is not possible. Marseille could not defend itself. That sort of justice is contrary to the most elementary laws."

soccer title, and its fifth straight French championship, last season. Jean-Louis Levreau, the cluh's vice president, said after meeting with Tapie that the owner was "deeply shocked." Levreau re-peated the Marseille stand that the allega-

Marseille won France's first European club

See BAN, Page 15

#### In short, dissidents are zapped with cattle talked of China's becoming another Soviet See CHINA, Page 4 In Poland, Pain Is Leavened by Progress

By Michael Dobbs Washington Past Service

WARSAW - In Communist times it was known as the "White House" --- a fortress-like structure in the center of the city, as impenetrable and characteriess as the regime it housed. The five-story headquarters of the Polish

Communist Party regularly absorbed and dis-gorged large numbers of faceless bureaucrats. What precisely they all did mystified average Today, advertisements for fax machines and photocopiers adorn the roof from which the red flag once flew. The conference hall where Com-

munist Party leaders schemed is now a trading

room for a Western bank. The half's huge bust

of Lenin has been relegated to the cellar. "When the Communists finally moved out of here in 1990, we had to completely gut and renovate the place," said Robert Rzesos, the building's manager. "This is now prime real estate. Our tenants pay higher rents than any-where else in Warsaw."

There is something both symbolic and his-torically important about the transformation of the inner sanctum of Polish communism into a temple of capitalism. As the first Soviet bloc country to elect a non-Communist government. Poland has been at the forefront of revolutionary changes that will influence world events for decades. It has become the testing ground for

Second in a series an unprecedented socio-economic experiment:

the transition from communism to free-market Four years after the fall of the Berlin Wall. the former Yugoslavia, where tens of thousands have died in two years of ethnic war, offers a disaster scenario for other former Communis countries searching for a road away from totali-

contrast, is the closest approximation to a suc-Geopolitically, the collapse of communism and the end of the Cold War have been a

tarian rule and a state-run economy. Poland, in

godsend to Poland. For the first time in almost a millennium, the country is not sandwiched between two predatory neighbors with capitals in Berlin and Moscow. Economically, tough financial policies and comprehensive privatization have made Poland a favorite of the International Monetary Fund and Western bankers. Poland's economy is the first in the former East bloc to return to growth after the 1989 revolu-

Such upbeat talk irritates many Poles who are painfully aware of the costs associated with

مكذا من الأمل

tion, and economic reform seems to be gaining

"There is still a lot that can go wrong, but I have a feeling that we have turned the corner. said Bronislaw Geremek, parliamentary floor leader of the Democratic Union, part of the governing coalition, and a former adviser to President Lech Walesa. "I feel that we can build a liberal democracy in this country without falling into the trap of social demagoguery, populism and nationalism,"

See LEGACY, Page 5



A clerk marking up prices Monday on scant merchandise in a Belgrade store. Inflation is rampant amid the international embargo.

### **Ex-Detainees Accuse Croats of Torture**

By David B. Ottaway

Washington Post Service
SARAJEVO, Bosnia-Herzegovina — Bosnian Croatian forces are holding several thousand Muslim male prisoners from Mostar in five hangars and two underground tunnels where they are being starved to death, tortured and forced to drink their own unine to stay alive, according to reports from recently released detainees interviewed by a

UN human rights official.

The reports, gathered by a UN High Commissioner for Refugees protection officer in Jablanica, southwest of here, tell of inhumane treatment of the prisoners. The reports allege the prisoners were beaten regularly, deprived of almost all water and given just enough

food to barely survive. Observers here said that if the reports were accurate it appeared the Bosnian Croats were mistreating their Muslim prisoners as badly, or possibly even worse, then had the Bosnian Serbs last year in their detention camps to northern Bosnia, Reports from those Serbian camps horrified the world and provoked

By Kenneth B. Noble

Ven York Times Service

workers union suspended on Monday a 10-

day-old strike that paralyzed factories and

husinesses across Africa's most populous

· But the government did not give in to the

main worker demand for publication of the

results of presidential elections in June that

were annulled by the former military lead-er, General Ibrahim Babangida.

The annulment of an election widely believed to have been won by Moshood K. O. Abiola, a wealthy publisher and in-

dustrialist, has thrown Nigeria into its

war of the late 1960s.

LAGOS - Leaders of Nigeria's oil

widespread charges of Serbian genocide against the Muslim people. The protection officer, Kirsten Young, said

the 100 former detainees she had interviewed last weekend were all "physically and psychologically exhausted" and either seriously emaciated or "extremely thin."

"The utter despair and bumiliation of the men was extremely depressing to witness."

The interviewees were among 450 released on Aug. 31 from the two camps, apparently because they were the closest to dying and thus in no position to return as soldiers to the

front in the foreseeable future.

They said that as they were being released at the last Croatian checkpoint outside Mostar on the road to Jablanica their guards opened fire, killing four of them on the spot and sending the others running for their lives with bullets whizzing over their heads.

The former detainees said that there were still 2,000 to 2,500 prisoners being held at two camps, one at Dretelj and the other at Gabela, about 30 kilometers (18 miles) south-

Union leaders insisted that they bad

achieved a symbolic victory by demon-

strating their ability to cripple the country's economy if they so wished. And they

vowed to go on strike again if their de-

mands continued to be ignored.

Moreover, the wide adherence to the

strike across ethnic and regional lines sug-

gested that that many Nigerians opposed

the largely civilian but unelected interim

government that was created by General

labangida and is headed by Ernest Shone-

The attitude of the oil workers is of great

"If today, we are suspending our present

importance in Nigeria because their indus-try is the source of more than 95 percent of

west of Mostar, and that those forced into the two underground ammunition tunnels were "stacked up so much they couldn't even lie down to sleep."

A number of the prisoners are reportedly 12- and 13-year-old children, and at least one

of them has been held for two months, the former detainees said. The Muslim prisoners are allowed no exer-

cise and the doors of the two tunnels are open only once a day, when food is brought for distribution, they said. The prisoners have no access to toilets or

showers, the former detainees said. A spokesman for the UN refugee agency, Ray Wilkinson, who read the report to a journalists in Sarajevo, said be did not know how long they bad been held at the camps. The former Dretelj prisoners, who provid-

ed the material for most of the report, said that at first they had been shuttled back and forth between the two camps. They said that their treatment had improved somewhat as a result of a visit by representatives of the International Red Cross.

Nigeria Oil Workers Call 'Truce' in Showdown With Regime

withdrawal," the union representing

50,000 oil workers said in a statement. The

faith in future elections in Nigeria."

rumors could not be confirmed

mous pressure from the interim govern-

### UN Weighs Lifting Iraq Oil Sales Ban

Talks Linked to Willingness To Allow Monitoring of Arms

By Paul Lewis

York - Three years after it imselling unlimited quantities on quoting official media. world markets.

diplomats say is still months away. would come about if Iraq provided build nuclear, chemical and biological arms and agreed to let the United Nations monitor its military and specified arms and agreed to let the United Nations monitor its military and specified arms are specified arms and specified arms are s

In a first step toward an agreement on lifting the oil embargo, a high-ranking team of Iraqi officials led by General Amer Mohammed Rashid, the director of Iraq's mili-tary industrialization corporation, is visiting New York for talks with Rolf Ekeus, the Swede who leads the special commission set up by the Security Council in 1991 to oversee the elimination of Iraq's weapons of mass destruction.

Officials described the talks, which began last week and are expected to end Thursday, as intense and serious. Deputy Prime Minister Tariq Aziz has invited Mr. is sounding out Japan about joining UN peacekeeping operations on the Iraqi-Kuwaiti border, a government official said. Ekeus to come to Baghdad at the end of September for a further round of discussions aimed at com-

pleting the agreement.

Even if the oil embargo were lifted, the Security Council would still require Iraq's customers to which troops can only be deployed turn over a third of their payments in areas where a cease-fire has been to the United Nations to compensate victims of the invasion of Ku-

medicine would still be required to seek permission from the Security New York Times Service Seek permission from the Security UNITED NATIONS. New Council committee overseeing en-

posed a stiff trade embargo against Fight on Embargo Urged Iraq because of its invasion of Ku-President Saddam Hussein has wait, the United Nations is serious-by considering lifting its ban on concentrate on fighting the UN Iraqi oil sales and allowing Bagh-dad to earn billions of dollars by

orld markets. Mr. Saddam dismissed Prime
An easing of the embargo, which Minister Mohammed Hamzah Zubaydi on Sunday and replaced him with Finance Minister Ahmed information about its efforts to Hussein Khudayer to head the

tary industries to ensure that it cutting expenditure and seeking does not reacquire such weapons. new ways to light the embargo. Baghdad must also demonstrate Mr. Saddam said during a swearthat it is willing to cooperate with ing-in ceremony monitoring diplomats said.

Mr. Saddam said the govern-

ment should "do everything it can to find ways for the population to withstand the embargo, to protect them from black marketeers and tase the burden."

#### **UN Asks Japan** For Border Team

TOKYO - The United Nations

The daily Yomiuri Shimbun said the United Nations wanted Japan to send a 40-person medical team to the demilitarized zone between Iraq and Kuwait. This would meet Japanese legal requirements, under concluded, it said.

The proposal would be a test for wait and cover its own expenses in the month-old government of Prime Minister Moribiro Ho-The trade embargo would other- sokawa. His cabinet includes six wise remain in force, meaning that socialists, whose party has a long-foreign companies wishing to supply any goods other than food and abroad.

#### WORLD BRIEFS

Italy Delays Its Mogadishu Pullout

ROME (AP) — Italy agreed to delay its pullout from Mogadishu but replaced its commander in Somalia on Monday, after seven Nigerian UN troops died in a Somali ambush in which Italian soldiers were alleged to

have stood idly by.

The ambush Sunday sharpened Rome's rift with Washington over how to keep peace in Somalia. The United States backs tougher action to capture the warlord Mohammed Farrah Aidid, whom the UN blames for

the attack; Italy wants talks with Aidid supporters. Italy called its replacement of commanders a normal rotation, but the change followed calls that General Bruno Loi be removed, General Carmine Fiore, who assumed command, has praised General Loi's work. Earlier, Defense Minister Fabio Fabbri denied that Italian troops had refused to belp the Nigerian soldiers during the ambush.

#### Army Chides Chamorro on Ortega

MANAGUA (AFP) - The Nicaraguan Army will not accept the dismissal of its chief, General Humberto Ortega Saavedra, a Sandinista & holdover whom President Violeta Barrios de Chamorro retained when she was elected in 1990, the military said in a statement.

The army said it had been offended by Mrs. Chamorro's announce-

ment last week that she would replace General Ortega next year, noting that she had made the decision without consulting military leaders. Mrs. Chamorro's office issued a statement Sunday rejecting General Ortega's assertion that the presidency was acting unlawfully in planning to dismiss him. Mrs. Chamorro, who was elected with conservative backing, has angered her supporters by retaining key Sandinista officials. Washington has been urging the removal of the general, the brother of former President Daniel Ortega Saavedra.

#### **Qian Begins East European Tour**

KIEV (AFP) — Foreign Minister Qian Qichen of China met Monday with President Leonid M. Kravchuk of Ukraine at the start of a swing through Eastern Europe. He is the highest-ranking Chinese leader to visit

the region since the collapse of the Communist bloc.

The 10-day tour will also take him to Romania, Albania, Slovenia and Croatia. The Xinhua press agency quoted Mr. Qian, who is also deputy prime minister, as saying he would discuss regional and international issues during the tour. He also said that China, one of the five permanent members of the UN Security Council, was willing to join international efforts to promote peace in the Balkans.

The trip comes two weeks before the International Olympic Committee is scheduled to choose a site for the 2000 Games, for which Beijing is a

#### China Assails U.S. on Ship Allegation

BELJING (AP) - China, elated that inspection of one of its freighters had failed to find chemical weapons material on board as Washington had claimed, attacked the United States over the issue for a second day on

People's Daily, the Communist Party newspaper, and China Daily, the nation's English-language paper, both carried commentaries blaming the United States for the dispute over the freighter Yinhe. The United States had shadowed the vessel with warships and charged that it was carrying material for the manufacture of mustard gas and nerve toxins to Iran. The

Yinhe was inspected last week by a team including U.S. representatives. "The United States always considers itself superior and believes nobody but itself," the front-page commentary in People's Daily said. "Regarding itself as a 'world cop,' the United States has grossly encroached upon the sovereignty of another country."

#### Anglican Leader Decries a Flogging LONDON (AP) - The Arcbbishop of Canterbury said Monday that the public flogging of an Anglican bishop in Sudan was "barbaric and

The Right Reverend Peter Birish, suffragan bishop of Khartoum at Wad Medani in western Sudan, received 80 lashes to the back of his legs and upper back after he was found guilty of adultery. The punishment

was in accordance with Islamic law. The bishop denied the charge, which was dismissed by a lower court, but be was found guilty by a higher court.

#### Quit Azerbaijan, Iran Tells Armenia

NICOSIA (Reuters) - Iran told Armenia on Monday to pull its forces out of Azerbaijan and said it would not remain silent toward its

Foreign Minister Ali Akbar Velayati delivered Iran's warning in a telephone conversation with his Armenian counterpart, Vagan Papazyan, the official Iranian press agency, IRNA, said. Armenian forces have advanced close to the Iranian frontier in southwest Azerbaijan, arousing Tehran's concern about the security of its borders and the possibility of a

The Q&A article in Monday's editions incorrectly identified Munich as

a candidate site for the Summer Olympic Games in 2000. The German city that has applied to hold the Olympiad is Berlin.

## Requests for Asylum

fell dramatically in August, for the second successive month, following the introduction of a tough asylum law, the Interior Ministry said Monday.

people applied. The new restrictions took effect July 1.

The ministry said that the number of arrivals in August was still. too high, and that it was too early

#### U.K. Engineer Arrested After Train Hits Station

LONDON - A locomotive engineer was arrested for failing an alcohol test after his freight train ran into a station early Monday, closing a major London commuter

The locomotive dragged five reight cars off the rails as it plowed into the Maidstone East station. south of London, during the night, slocking two tracks and virtually demolishing the station building. The engineer was treated for shock. No other injuries were reported.

to evaluate the success of the law in stemming the flow of refugees. From January through August, 259,193 foreigners asked for asylum, a drop of 5.4 percent from the

same period last year. In 1992, about 440,000 people came to Germany to take advantage of what was then Europe's most liberal asylum law.

The new law provides for appli-cations being handled in less than three weeks. Previously, refugees have stayed for years while the authorities considered their requests. The new law excludes those who pass through any country consid-

ered safe, including all Germany's neighbors. And it makes asylum more difficult for refugees from countries that Bonn considers free from political persecution. The ministry said the drop in applicants from Romania and Bul-

garia was particularly noticeable. "In these cases, the rules on safe third countries and safe countries of origin, as well as the agreement with Romania to return those who come across the horder, must be working," the ministry said.

However, refugees from the war in Bosnia-Herzegovina are on the increase. In August 1,798 Bosnians applied for asylum, compared with 1,721 in July and 1,349 in June.

### Slovak Chided Over Remarks

The Associated Press

tests most sharply." The Czech news agency CTK said Mr. Meciar made the remarks about Slovak Gypsies on Saturday in what appeared to have been an impromptu speech in Spis in eastern Slovakia, where Gyp-

Alluding to Gypsies, Mr. Meciar reportedly said it was necessary to curtail the "extended reproduction of the so-cially unadaptable and mentally backward population" by decreasing family allowances By unofficial estimates, Slovakia has half a million or so Gypsies.

#### union said it believed that a "period of truce" would allow the authorities to re- hand over power to elected civilians. consider the decision to annul the elec-The oil-workers' strike, which millions of "Let us warn," the union added, "that

until the mandate of June 12th is upbeld, towns and villages into ghostly places. we foresee a future where there will be no Virtually all gasoline pumps in Nigeria's However, reports circulated in Lagos that union leaders had been under enor-

biggest cities have been dry since tanker drivers, who belong to the oil workers union, refused to carry petroleum products from depots operated by the state-controlled Nigerian Petroleum Corp.

The new government han appealed to Nigerians to put the June election behind them and prepare for fresh polls leading to an elected civilian president by the end of March 1994.

On Thursday, the National Labor Controlled Nigerian Petroleum Corp. ment in recent days, including threats of mass arrests, to call off the strike. The

Nigeria's largest buman rights group, the

nationwide strike, let it be seen as a tactical troubles are by no means over. On Sunday, a country whose economy is based on petroleum production. The main cause for the sbortage, government officials assert, is Campaign for Democracy, said it planned fulure actions to force the government to hand over power to elected civilians.

Theoli-workers' strike, which millions of corruption and incompetence of govern-Nigerians supported by staying in their ment bureaucrats who, they say, bave allowed supplies of refined petroleum to fall to perilously low levels.

The new government had appealed to

On Thursday, the National Labor Con- Correction ss a coalition of major trade union

Whatever the case, the government's long-standing nationwide fuel sbortage, in decided to call off a similar strike,

TRAVEL UPDATE

Cathay Pacific Airways plans to start twice-weekly service between Hong Kong and Cairns, Australia, on Oct. 30 every Wednesday and Saturday. It still needs approval of the Hong Kong government. Cairns is the northernmost city in Queensland state.

(AP)

A standoff between Air-India pilots and cabin crews has stranded thousands of passengers. Foreign carriers have been asked to fly them from the country. Dozens of flights have been canceled in the past few days after many pilots called in sick. They are angry because some flight the Prison Officers Association. whose ehairman, John Bartell, said attendants insist that they, not pilots, are in charge of passengers. (AP)

The government of Malawi said Monday that it had reached an agreement with civil aviation personnel to end a strike that began on Thursday. The strike had halted international flights at the country's two main airports, but personnel there returned to work Sunday after the army was authorized to take over their duties.

# **Decline in Germany**

worst political crisis since the Biafran civil—the country's hard-currency earning

BONN - The number of refues seeking asylum in Germany

Applications dropped to 14.521, from 20,658 in July, In June, 31,123

# About Gypsies

VIENNA - Prime Minister Vladimir Meciar of Slovakia came under criticism abroad Monday for allegedly calling Slovakia's Gypsies "socially unadaptable and metally

In Vienna, Simon Wiesenthal, president of the League of Jewish Persecutees of the Nazi Regime, said his group, whose members suf-fered alongside Gypsies in concentration camps, "pro-

sies account for 13 percent of the population in the district.

### Inmates at U.K. Prison Riot 7 Hours

mates rampaged through a British had warned that trouble was brewprison for seven hours on Monday. causing up to £20 million (\$30 mil- Mullen, denied there had been any lion) of damage and injuring one warning of trouble. inmate before surrendering, prison

officials said. About 400 prisoners smashed windows and furniture and started fires in Wymott prison near Leyland, in northern England. The prison was criticized in a 1992 report for bullying and drug use by

Three of the four cell blocks were destroyed along with the gymnasi-um and the prison laundry. Officials said prisoners gave up when they were forced out of the buildings by smoke from a blazing workshop and fuel tank.

Home Secretary Michael Howard asked the chief inspector of prisons, Judge Stephen Tumim, to

#### 7 Die in English Truck Crash

LONDON —Seven people were killed when a truck collided with a van and crashed into a post office in the northern English village of Sowerby Bridge, Yorkshire, emergency services said.

Reviers conduct an immediate inquiry into privatize seven prisons in England LONDON — Hundreds of inthe riot. Prison officials said they and Wales in a bid to improve standards and cut costs. ing But the prison governor. Jim The plans have been criticized by

> "I have no doubt at all that it was drug-related," said Peter Hancox of the Prison Officers Association.

houses 780 prisoners. The riot came days after Mr. Howard had announced plans to

safety standards had dropped because of government cost cutting.

vate sector," he said.

#### "The riot is the inevitable out-The prison was built in 1970 and come of the prison service having to drive down costs and standards in order to compete with the pri-

### Tax Rules Eased for American Evaders Abroad

By Robert C. Siner

WASHINGTON - The Internal Revenue Service has issued rules that will make it easier and less expensive for Americans abroad who have not filed tax returns in past years to clear their accounts with the U.S.

Under the rules, overseas taxpayers who come forward voluntarily can now claim the \$70,000 earned-income exclusion for all back years without having to apply for special rulings from the IRS.

The new rules are part of a continuing campaign by the agency to get overseas tax-payers "into the system." Numerous congres-

sional and IRS studies have found that fewer than half of Americans abroad file returns. Until this year, people who did not file their returns within one year of the April 15 due date lost the right to use the \$70,000 earned-income exclusion for that year.

In January, the IRS issued rules permitting nonfilers who came forward voluntarily to apply for Private Letter Rulings, which allow m to use the exclusion for the back years. Although these rulings were automatically granted, they did add another layer of paperwork and cost \$500 for taxpayers with incomes under \$150,000 and \$3,000 for the

Taxpayers who were caught by the IRS could still apply for Private Letter Rulings.

but there was nothing automatic in their

Under regulations issued this summer, taxpayers who come forward voluntarily can save themselves the trouble and expense of a letter ruling. In addition, an IRS spokesman said, taxpayers who are caught by the agency but can show that by using the exclusion they would owe no tax for back years will be allowed to file their back returns as though they bad come forward voluntarily.

Those caught by the IRS who do owe tax, however, will have to request Private Letter Rulings. To be allowed to use the exclusion for back years they will bave to show that they were misled into not filing by tax professionals or government advice, the spokesman

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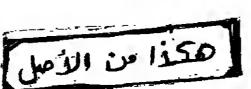
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### STATESIDE / PEROT, YET AGAIN



Mr. Clinton and Chelsea on a beach in southern Florida, which he visited to inspect damage remaining from a 1992 hurricane. "We can make this come out all right," he vowed Monday.

#### A Wasteful Budget, Many Think

NEW YORK — The average American thinks more than one-third of the \$1.5 trillion federal hudget could realistically be cut as wasteful, ac-cording to an Associated Press poll.

When President Bill Clinton outlines his plans Tuesday for "reinventing government," his message will appeal to a cynical public. In the poll, 95 percent said the government wasted lots of money. Using a study led by Vice President Al Gore, Mr. Clinton is expected to propose numerous changes in the way the federal government buys

services, hires workers, makes hudgets, pays bene-fits, collects fees and divides duties among agen-To the question, "What percent of the federal hudget do you tealistically think could be cut as wasteful?" the average response was 37 percent. One in 10 wanted to do away with more than half

the budget. Seven in 10 polled say foreign aid is wasteful. But to cut its \$19 billion from the hudget would be like dipping 3 tablespoons out of a 1 gallon pail.

The telephone poll of 1,004 adults was taken the

last five days of August by ICR Survey Research Group, part of AUS Consultants, Results have a margin of sampling error of plus or minus 3 per-

centage points.

When different categories of spending were mentioned, responses varied according to region and income. Fifty-one percent said military spending was wasteful, for example, and dissenters to that view were fargely Southerners, people who live outside metropolitan areas and those whose fantilies earn less than \$15,000 a year.

Welfare seemed wasteful to 59 percent overall. hut not to most blacks and to those earning less

#### The New Anita Hill Controversy

NORMAN, Oklahoma - Almost two years have passed since the stormy Senate confirmation hearings for Justice Clarence Thomas, and Anita F. Hill is still evoking passion among the many

upporters and detractors in her home state.

The University of Oklahoma law professor, who accused Justice Thomas, then a nominee, of sexual harassment, returned to the classroom last month after a one-year leave to study harassment in the workplace. Although she quietly tried to resume teaching, Professor Hill is mired in another contro-

At issue is the proposed Anita Faye Hill Professorship, an endowed chair designed to provide money for salaries, research and travel expenses to study rights of women in the workplace.

A group of Minnesota women began raising money for the chair last year and has collected \$125,000, enough under Oklahoma law to qualify for matching funds from the state Board of Regents for Higher Education, But the momentum stopped there. Despite what many people describe as a popular idea on campus and statewide, university officials are squirming under the spotlight aimed at them by opponents of Professor Hill.

"It's sexism and racism." Junetta Davis, a retired Oklahoma University journalism professor, said of efforts to halt endowment of the chair. "This is the 75th endowment chair, but it's the first ever to be contested. There is no reason for this chair to be any different from the others."

Opposition is led here by E.Z. Million, who is president of the Oklahoma Conservative Committee and collects signatures against Professor Hill at his storefront office. (WP)

#### Quote/Unquote

Vice President Al Gore on the issue of streamlining government: "Basically, the federal government is organized the way large corporations were organized 50 years ago, with a centralized, top-down, hierarchical, hureaucratic approach that might have seemed like the cat's meow when mass production was first invented, but is hopelessly inadequate to the information age. We want to make government customer-friendly. We want to empower employees with flexibility, the tools they need and the authority to make decisions." (Reu-

### Texan and Family Values' Sustain Political Pull

By David S. Broder

Washington Post Service
WASHINGTON — Political scientists exhave found evidence that Ross Perot and the and Clintonomics." religious right may have more lasting effects

on U.S. politics than was guessed at the time. In panels and papers delivered at the an-nual meeting of the American Political Science Association here, which concluded Sunday, scholars offered diverse perspectives on the significance of everything from the great-

party candidate in eight decades, and on the Christian Coalition. California at Irvine linked the 19 percent vote for Mr. Perot to the continuing decline

"He has taken on the role of the opposition statesman and become the most publicly institutionalized political press."

Should he run again, said Ronald B. Rapoport of the College of William and Mary, who studied the election with five colleagues, he would likely find many of his old support-ers ready to work for him. Interviewing a cross section of them, these scholars found that "for most of the Perot sample, their er visibility of homosexuals and women in involvement was a positive experience and the campaign to the influence of the media. an active constituency for his continued in-But most attention focused on Mr. Perot. volvement exists." the most successful independent or third-

A somewhat more skeptical note was issues of "family values" and groups such as California at Los Angeles, who argued that the rise and fall of Mr. Perot in 1992 fit the pattern of such past insurgent candidates as John Anderson, Gary Hart and Jimmy Car-ter — all of whom ran less well in their in support for the Democratic and Republican parties and said the evidence suggested a second Perol candidacy in 1996 "might do of their first campaigns. A major reason for this, Mr. Zaller said, was the skepticism of the political establishment, reflected in "the

visible center of opposition to President For all Mr. Perot's success on talk shows

Clinton," Mr. Wattenberg said. Even though and all he invested in commercials, Mr. candidate choice than any other issue, inparty lines have been drawn in Congress on basic economic issues, "the public debate has ness apparently failed, for the most part, to The issue hurt Mr. Bush and the Republiamining the entrails of last year's election been personalized to a fight between Perot receive word of the Perot campaign, while people at higher levels of awareness seem to have been turned off to Perot by criticism of him carried in the elite press."

Another measure of Mr. Perot's limits was supplied by Timothy S. Prinz of the University of Virginia, who found scarcely a trace of his influence in congressional races. Sharp partisanship prevailed, with Republicans being punished for the negative evaluation of President George Bush's economic performance and Democrats benefiting from the desire for change.

Several scholars suggested that, even in a year when economic concerns dominated,

The point was argued by Alan I. Abramowitz of Emory University. He suggested that "abortion had a significant influence on candidate choice in the overall elec-riment of the Republicanism to the det-riment of the Republicanism. torate," and that among the quarter of the voters who were both concerned about abor
Other researchers said the emergence of abortion and issues of "family values" could

cans, Mr. Abramowitz found. "The Clinton-Gore ticket suffered few defections from pro-life Democrats because most of those Democrats either didn't know the candidates' position on abortion or didn't care," he said. "In contrast, the Bush-Quayle ticket suffered a substantial number of defections from pro-choice Republicans, although most of these Republican defectors cast their ballots for Ross Perot rather than for Bill Clin-

Similar findings came from focused stud-ies by other scholars looking at Muncie: Indiana, and Albermarie County, Virginia. In another paper, Susan E. Howell of the University of New Orleans found that after a social issues, especially abortion, played a 1990 decision by the Supreme Court that crucial role in the outcome. expanded options for states to restrict abortions, the issue jumped in importance and became attached to the definition of both

tion and aware of the candidate position, presage a realignment of Democratic and "abortion had a much stronger influence on Republican coalitions."

### **Autoworkers' Health Benefits: Time to Share Cost?**

By James Bennet New York Times Service

DETROIT - Since learning last year that he had multiple sclerosis, Andy Torok has become less and less steady on his feet, and his worries have accumulated along with the handprints on his apartment's white walls.

But as Mr. Torok has shuttled among specialists, sampling different steroids and undergoing test after test, he has not had to give a single thought to how much his medical care

Mr. Torok, who had to stop working in March, is a member of the United Automobile Workers union, so he has paid nothing.

"Not a dime," said Mr. Torok. 39, who lives in Davison, Michigan, just north of Detroit. "I'd be downright scared to know what it's costing."

The automobile companies, which have kept careful track of the cost of caring for their workers, profess to be plenty scared. Mr. Torok's employer, General Motors Corp., is the largest private purchaser of health care in the United States, having spent \$3.7 billion last year.

Just for its union members, GM's health care costs amount to \$711 for each car and truck that it builds in North

More than a million hourly workers, retirees and family memhers from GM, Ford Motor Co. and Chrysler Corp. pay little or nothing for almost all of their treatment, from an examination for a sore throat to open-heart surgery.

Now, as the Big Three negotiate a national labor contract with the UAW this fall, the companies are insisting that

workers chip in, a proposal the union steadfastly rejects. Union leaders say that their members paid for their benefits by accepting them instead of wage increases. For the aging workers themselves, existing medical benefits are not only a prized financial cushion but also a stirring symbol of

their union's accomplishments. In fact, union officials argue that their system - which has held the rate of growth in health care costs for antoworkers below the national rate - could serve as a national model.

If there is a strike this year, union and company officials and financial analysts say, medical care is the issue that will

"When the company says 'co-payment,' a lot of UAW members hear 'strike,' " said Harley Shaiken, a visiting professor at the University of California at Berkeley who specializes in labor relations.

The issue is how best, given existing benefits, to limit costs. The companies insist that asking workers to contribute each time they seek care will force them to be more selective. The union believes that the companies can better control costs by using their leverage as huge purchasers of medical care, much the way the Canadian government controls

Already, the union and the companies have made some progress controlling costs by encouraging workers to move into managed care plans like networks of doctors and hospitals or health maintenance organizations.

son Hole Group, an influential coalition of medical industry

executives and analysts.

"It indicates how flexible the unions are going to be about health care reform"—an important issue, he said, since the Clinton administration has paid close attention to organized

labor's concerns about medical care.

Health care experts, Dr. Elwood said, have long viewed. the UAW's benefits package as contributing to rising medi-cal costs because of its lack of controls. Without some mechanism for encouraging workers to choose the cheapest plan available, he said, costs would continue to grow.

As it is shaping up, the Clinton plan would have no effect on the nutoworkers' benefits during the term of the next contract. Down the road, it would force them to pay federal income tax on benefits that exceed those in a standard

package guaranteed to all Americans.

In addition, in another sharp departure from current law, employers could not take tax deductions for money they spend on the extra benefits, administration officials have

The companies have repeatedly said they cannot wait for an overhaul of national health care to control their costs. Some form of cost-sharing, the companies argue will discourage frivolous doctors' visits by workers. But the union predicts that that approach will only generate greater costs later on - when that slight chest pain, ignored by the penny-pinching worker, turns into cardiae arrest.

Union leaders and members are adamant that they will hospitals or health maintenance organizations.

"Everyone interested in health reform is watching these negotiations," said Dr. Paul Elwood, president of the Jack"We fought too damn hard for health care,"

### Plotters Weighed Kidnapping Nixon

By Ralph Blumenthal New York Times Service

NEW YORK — A government informer and the man charged with leading a foiled plot to bomb New, York City targets discussed abducting former President Richard Nixon and his former secretary of state and adviser. Henry Kissinger, according to lawyers who have seen transcripts of tape-recorded evidence in the case.

The two U.S. leaders were mentioned on the tape as possible tar- Mr. Salem and Mr. Siddig Ali aimed at winning the release of Mr. Nosair at Attica prison when return telephone calls. Muslims being held in federal cus- the conversation was recorded. tody in connection with the bombing of the World Trade Center in February, the lawyers said.

In the secretly taped conversa-

and the suspect. Siddig Ibrahim would make it easier for authorities to locate him, the lawyers said. Ronald L. Kuby, a lawyer for Mr. Siddig Ali, said, "There was no Sayyid A. Nosair, the lawyers said.

Mr. Nosair, who was in a New York prison on charges stemming from the 1990 murder of the Jewish militant leader Meir Kahane, was indicted recently on federal charges that he was part of a group that had plotted terrorist acts including the Trade Center explosion.

In the May 23 conversation, recorded by the informer, he and Mr.
Siddig Ali discussed removing Mr.

fairs, said Sunday that he was unaware of the alleged threat, Mr. Kissinger's clothes, fearing that Nixon could not be reached for tion, the informer, Emad Salem, they might contain a device that comment.

conspiracy to take hostages."

Mr. Kuhy and other defense lawyers plan to prove that Mr. Salem trapped their clients by initiating talk of targets and showing them how to make a bomb. There is no evidence to indicate that a scheme to kidnap Mr. Kis-

singer and Mr. Nixon ever took concrete form. A prosecutor in the gets in a hostage-taking scheme had just returned from a visit to case. Andrew McCarthy, did not Mr. Kissinger, who is now a con-

sultant on international security af-

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#### **Away From Politics**

• A smaller percentage U.S. households was victimized by violent crime or thefts last year than in any year since the Justice Department's Burean of Justice Statistics started counting in 1975. Altogether, 22 million of the nation's almost 100 million households were affected by crime last year, about 23 percent. In 1975, 32 percent of American households was hit by at least one crime.

 Women who had sons by David Koresh, the leader of the Branch Davidian cult in Waco, Texas, say he fathered 12 of the 17 children who died when fire swept through his compound on April 19. The children ranged in age from 1 to 4 and were born to six cult members other than Mr. Koresh's wife, the Waco Tribune-Herald reported Sunday. Mr. Koresh and the children were among 85 people who died as FBI agents stormed its cluster of huildings.

• The first day of school in Chicago was pushed back almost a week by the Board of Education, which said a hiring freeze and 7,000 job vacancies mean there are not enough teachers to fill the classrooms. Classes had been scheduled to start on Wednesday, but the board voted unanimously Sunday to delay that until at least Sept. 14. Chicago is the tration's third-largest public school district with about

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### CLINTON: Back in Town, and Reinventing Himself

On health care, the White House,

unchallenged. On the trade pact, he faces opposition from such traditionally Democratic groups as laorganizations as well as from the independent activist Ross Perol. His aides estimated last week that they would need and probably could get 140 to 150 Republican votes in the House, to which one Republican congressman respond-ed, "They're kidding themselves."

Many Republicans, looking at the president's performance and at the unpopularity of the trade agreement, question whether Mr. Clinton will squander his capital on an issue that could backfire when he needs backing elsewhere.

Bili Melnturff, a poll-taker for many House Republicans and a trade accord supporter, said Republicans for whom the vote will be risky are asking themselves: "Why should I be Bill Clinton's profile in courage if he can't deliver more House Democrats?"

There is going to have to be a lot of blood on the floor to win this vote," Mr. Melnturff said.

But Mr. Clinton "has done nothing that convinces them he will go to the mal and provide the air cover they need," he added, invoking doubts about the president's political courage. White House aides acknowledge that some congressional Democrats have similar doubts. The counselor to the president, David Gergen, said Mr. Clinton

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was "absolutely committed" to the trade treaty, and others have said ting and reorganizing, but the presthe pact was the issue on which the

ident could make the case that he was willing to do not only the nonular but the unpopular. "I happen to think the Perot opposition and the union opposition is really, in fact, good for us," said one senior aide, "because he can show he will fight for something he believes in.

"He has paid a high price for that," Mr. Bass said. For the most joined to the Democratic Party appart. Mr. Clinton's advisers would paratus, is planning a huge opening salvo to try to assure that the pronot disagree. gram is well received. Administration officials acknowledge the vast size of the program, the array of forces opposed to one or more elements of it and the need to work with Republicans when no cooperthan pushing what they do not

ative working arrangements exist. Only in reinventing government is Mr. Clinton tackling a virtually risk-free issue. "Americans are convinced government does not work, an official said, "and this will be the first time a Democratic presi-dent stood up and agreed with them. I can't overestimate the public appeal of that."

Republicans may try to up the least three times.

ting and reorganizing, but the president, at least for a few days, is

likely to have the spotlight. Hurold F. Bass Jr., a political scientist who studies presidential leadership, said Mr. Clinton had been "largely sidetracked and inaruculate" in getting Americans to see him as "a centrist, seeking to lead his fellow Democrats hack into the moderate mainstream."

The reinventing of government and health-care reform, an aide and reauti-care retorm, an aide said, "are issues that have some pop politically." By championing them, Mr. Clinton will be arguing for things Americans want rather

want, such as tax increases and stimulus spending.

By all accounts, Mr. Clinton's

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vacation did him well. Aides described him as having shucked some of the bitterness that was on display in August as he headed out of town. "I never want to go through" another six months like the first, the president had said at

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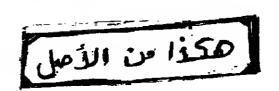
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### Britain Faces Rights Charge

Commission to Examine IRA Trio's Killing

International Herald Tribune In what could be a serious political embarrassment for the British government, the European Commission on Human Rights agreed Monday in Strasbourg, France, to examine alle-

guerrillas. Relatives of three members of the Irish Republican Army who were shot and killed by British forces in Gibraltar in 1988 charged that the shooting violated the European Human Rights Convention's guarantee of right

If the closed-door commission upholds the charge, in a process that could take at least a year. according to a spokesman, it will send the case to the European Court for a public hearing.

Largely because of its lack of a written constitution, Britain is one of the countries most sum-

moned before the court, which allows ordinary citizens to challenge governments after exhausting domestic judicial resources.

Britain has been accused 56 times and found in violation of the Human Rights Convention on 30 occasions - second only gations that Britain operated a to Italy, which has been accused shoot-to-kill policy against IRA I 14 times, mostly in cases involving the slowness of its judicial system, and has lost 78 times.

The relatives turned to the Human Rights Commission after the High Court of Justice in Northern Ireland rejected their plea for compensation.

An inquest in Gibraltar found that the killing by three unidentified soldiers was lawful, even though the IRA members -Danny McCann, Mairead Farreli and Sean Savage - were unarmed and allegedly were given no warning.

The relatives' lawyer, Paddy McGrory, said in Dublin that

The challenge:

Britain risked being exposed as a country "whose security forces would murder people in the streets because it is a cheap and convenient way of dealing with the matter."

The soldiers told the inquest that they had opened fire because they feared the IRA memhers were armed and had a remote control device for a car

The relatives also accused Britain of intimidating witnesses at the inquest and suppressing Britain has made no official

response to the allegation that its soldiers are "trained to shoot to kill without warning," as the relatives charge. After the shooting, the Span

ish police found a car packed with explosives, and officials asserted that the commandos clearly had intended to drive it to Gibraltar and detonate it there.

TO KEEP POLLUTANTS FROM

FOULING UP PERFORMANCE.

FOULING UP THE ATMOSPHERE \*\*

AND POLLUTION CONTROLS FROM \*

### CHINA: Jettisoning Communism, Leaders Grope Toward Market-Leninism

Continued from Page 1 italism: the glitzy discos that keep superpower could emerge in the bopping until the wee hours, the 30 Rolls-Royces sold so far this year 21st century. If it fails to transform in China, the luxury restaurants that sprinkle bits of 24-karat gold itself economically and politically, perhaps collapsing under popular resentments and ethnic and geo-graphical divisions, then many Chiinto dishes because rich patrons think it is good for longevity. Yet all this is froth, and mislead-

nese officials believe that civil war ing froth at that. and chaos are possible. In that case, more than one-fifth of humanity could be caught in the upheavals, new states with nuclear weapons could pop up in the center of Asia, and a tidal wave of tens of millions

But whatever the future holds, it is already pretty clear that China is no longer a Communist country in any meaningful sense.

of refugees could engulf distant

No Communist country, at least, has ever so fully embraced stock markets, satellite television, private colleges, music video and radio talk shows. The Communist Party still commands, but its branches oo longer devote much energy to con-trolling ideology. The business of the party now is business. The State Security Ministry runs

electric cattle prods, and - until it was caught - the party's women's organization ran a brothel. The party's avarice and material-

ism tend to impress visitors, who are dizzied by aggressive quasi-cap-

In the countryside, with three-

The official complained that so-cial order was disintegrating because of an almost universal desire to make money, and he seemed to know something about that. His purpose in arranging the meeting was to try to sell top-secret information about sales of Chinese M-11 ballistic missiles to Pakistan. He offered to provide the dates

'In many ways, what is happening in China today is more revolutionary than what the Communists did."

Thomas B. Gold, a sociologist

quarters of the population, the of shipments, quantities and other peasants are more likely to inhabit caves than discos, and for every Chinese who eats gold there are

millions who cannot afford meat. Just as important, this scramble to get rich may be undermining values. The Chinese have a saying: vi fang, jiu huan - as soon as control cases, there is chaos.

"All the time in Chinese history. a bakery, the Police Ministry sells when you don't have strong rule, you get chaos and warlords," said a military official. "If we try to get too much democracy, it'll all fall apart again. Chiua will disinte-grate, and it'll be worse than in the Soviet Union."

specific data in exchange for cash. The United States has concluded that China was selling the missile technology to Pakistan, in violation

of international agreements, and imposed economic sanctions as a punishment. But the United States has oot determined whether China has sold the complete missiles

Told that reporters do not pay for information, the official asked for an introduction to a U.S. diplomat who would pay. When that request was turned down as well, he declined to provide information about M-11 shipments.

buge proportions that President Jiang Zemin has warned that it threatened to ruin the party itself. A few years ago, the problem was petty bribery of a few dollars. Now

officials steal millions or billions. In June, the Agricultural Bank of Chiga disclosed that some officers had issued fraudulent letters of credit for \$10 billion. The fraud was revealed only because the ban!: wanted to make clear that it would

not honor the documents. Minor graft has turned into organized crime. Particularly in coastal areas of southern China. party and army officials have oined forces with criminal gangs in Hong Kong and in Chinatowns abroad to engage in smuggling and

other rackets. Police officials in Beijing run a prostitution racket out of an armyowned hotel. Doctors demand bribes of bundreds of dollars to perform major surgery, and jour-nalists demand payoffs for attend-ing corporate news conferences.

Corruption is much worse now than it ever was under the Nationalists," said an octogenarian for-mer official. It is a bold statement, for corruption was so rampant under the Nationalists that the government had virtually rotted away by the time the Communists over-

The old man was eating dinner in the spacious apartment that the Communists gave him as a reward for many decades of faithful service. He has enjoyed all the perqui-sites of power in China and has even played bridge with Mr. Deng. But, largely because of the corruption, the party's esteem for him is

"I'll tell you, in 1949, I hated the Nationalists," the old man said. "I went to welcome the Communists when they entered Beijing and I cheered for them. When a Communist soldier was shot. I went to get help for him. At a meeting in my office to discuss what to do, I was the first to speak out. I said we should support the Communist

Party."
"Now, I would welcome the Nationalists back," he added bitterly. "In fact, I would go out and lead

them into Beijing."

Even many Communist leaders are said to acknowledge privately that the grand experiment to which they have devoted their lives has in many respects been a failure.

None of them really believe in communism any more," said the child of a Politburo member. The widow of a leader said: "He stopped believing all that long ago. but what could be do? The only person he could admit it to was turn into a fascist party."

Communist Party is a collapsing dynasty, just like all others that rtegrated in the past. They point to the irrelevance of its ideol-

ogy like that of Confucianism a century ago, before the Ching Dy-nasty ended in 1912. There is a huge difference, however, between the end of the Ching Dynasty and China uniay: In the

1990s, China has the tastest growing economy in the world. Professor Thomas B. Gold. a sociologist at the University of California, Berkeley, agrees that China resembles a disintegrating dynasty, but be argues that the econoria boom makes a crucial difference. It may have the momentum to keep

the country going, he said. "lo many ways, what is happen ing in China today is more revolutionary than what the Communists did." Mr. Gold said.

The emerging China, Mr. Gold and other scholars suggest, will look increasingly like Taiwan and South Korea

The uncertainty about China's prospects reflects a long debate about whether a market for goods can flourish for long if there is no companion market for ideas. Particularly in the West, many people assume that China will be unable to liberalize its economy if it does not bberalize its political system.

Yet, in Asia, many people draw the opposite conclusion. They see democracies like the Philippines where economic growth is anemic and conclude that industry grows best in tightly controlled political greenhouses like China. The Soviet Union under Mikhail S. Gorbachev emphasized glasnost more than perestroika — openness more than economic restructuring — while China has churned up some impressive statisties by trying perestroika more than glasnost.

If China continues to thrive, it will offer a lesson to the Third World that the West may find profoundly unsettling: Political repression is the grease that can lu-bricate an economic boom.

Some young Chinese intellectuals worry that the Communist Party will survive the collapse of communism, and that what the leadership is really trying to build is fascism. Mao himself was the first to warn of this risk.

"We are afraid that we will stop being a revolutionary country and will become a revisionist one," the chairman said in 1963. "When that happens in a socialist country, it becomes worse than a capitalist country. A Communist Party can

The first of two articles.

### PLO: Signing Predicted Next Week

Continued from Page 1 between groups favoring and op-posing the deal.

steps toward mutual recognition by Israel and the PLO. The aide said Israel was waiting for a PLO declaration that it renouoce terrorism, recognize Israel's right to exist in peace and security, and declare oull charter that calls for the destruction of Israel.

The aide, who associated as authorized to make the declaration himself, without occding to consult the Palestine National Council, the Palestinians 600-member partia
But in Beirut, where Syrian and Lebanese officials met Monday to discuss Mr. Arafat's initiative, Formande Shara of Syr-The aide, who asked not to be

"The Israelis want a letter from us to them, and then they will send us their response," the aide said. Mr. Arafat will meet Tuesday with President Hosni Mubarak of Egypt before traveling to Oman for the next stage in his campaign to build Arab support for his initia-

The Syrians and the Lebanese, as

#### **Israel Readmits** An Arab Activist

New York Times Service

JERUSALEM - Five years after he was deported for organizing protests in the occupied territories, Mubaraka Awad, a Palestinian-American advocate of nonviolence, returned Monday for a 10-day visit after his entry was approved by the Israeli security authorities.

Mr. Awad, a naturalized American citizen born in Jerusalem, was granted a visa after he had petitioned the Israeli Supreme Court for an entry permit to attend a conference on nonviolence. Officials said permission was granted as a goodwill gesture linked to the progress in peace talks.

This shows that the Israelis are really moving toward peace, not just maneuvering. Mr. Awad said. He lives in Washington. Israel deported him in June 1988, several months after the outbreak of the Palestinian uprising in the occupied territories.

well as Jordanians, have expressed displeasure at not having been con-sulted earlier by Mr. Arafat, whose But in Cairo, aides to Mr. Arafat deal with Israel was the result of at said he was now studying the final least 14 secret meetings held in Norway, outside the scope of the U.S.-sponsored Middle East peace talks. Those talks, now in their 11th round in Washington, involve Ista-Palestinian leadership

The Syrians, like the Jordanians. have already had their own bilateral talks with Israel, and there has

eign Minister Farouk Shara of Syria denied that there had been any progress toward a bilateral agree ment with Isrsel.

Foreign Minister Faris Bouez of Lebanon also said there had been no movement in their talks with Israel. "A certain state of immobility bas characterized this last routed so far," he said.

The Syrians want Israel to with-draw troops and settlements from the Golan Heights, which Israel ac-cupied following the 1967 war, in return for a Syrian offer of full peace to Israel. In an interview with Al Ahram,

the Eygptian newspaper, Mr. Ata-fat was quoted Monday night as saying there has been "progress on the other tracks, and some of these tracks are almost finalized. On Saturday, the Palestinian

leader said he expected that Syria. Jordan and Lebanon would sign their separate agreements with Israel at the same time as the PLO. Jordanian officials have already said they expect to ratify a draft outline of a proposed peace accord

Mr. Arafat's meeting with Mr. Assad on Sunday night in Damas-cus was pivotal, since the Syrian president is not only the most hard-line of Israel's Arab neighbors but also commands wide influence among Palestinian radical groups opposed to Mr. Arafat's initiative.

with Israel, once the PLO and Isra-

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### Kravchuk Takes Heat on Fleet Decision

KIEV - President Leonid M. Kravchuk of Ukraine on Monday defended a decision 10 sell the republic's share of the Black Sea fleet to Russia but said parliament would have the final word.

Mr. Kravchuk said Ukraine's economic situation was such that it had no choice but to sell its share of the fleet to pay its debts to Russia, notably for oil.

President Boris N. Yeltsin of Russia announced the deal after talks with Mr. Kravchuk in Yalta on Friday, saying Russia would wipe the debt slate clean in exchange for the 300-ship fleet, which has been shared by the republics since the breakup of the Soviet Union in 1991. The two leaders also reached agreement on transferring Ukraine's 1.800 nuclear warheads for dismantling, in exchange for nuclear reactor fuel.

the shock therapy program that the post-Communist government launched in January 1990.

BMWs and Mercedes-Benzes may cruise the

streets of Warsaw and other big cities, but beggars have appeared on the sidewalks. The

big state-owned factories that in 1980 gave

birth to the Solidarity union movement are practically all bankrupt. In some parts of the country, the unemployment rate has reached 30

or even 40 percent. The gap between rich and

poor is growing daily.

What is happening in Poland may not be attractive, but it seems infinitely preferable to

There is no better place than Poland to

observe the changes that have occurred in the

former Soviet bloc," said Defense Minister Jan-

As spokesman for Solidarity during the de-

cade of its battle with the Communist regime. Mr. Onyszkiewicz is a living example of the

changes that have swept Eastern Europe. Ten

years ago, he and many of his Solidarity col-

The view from the defense minister's office is

cautiously optimistic. A chain of independent

states - from Lithuania in the north to

Ukraine in the south - now separates Poland

from the bulk of Russia and the centuries-old

threat it has posed from the east. The western

border is also tranquil. Germany, which lost a 100-mile-wide swath of land to Poland after

World War If, formally renounced all territori-

al claims in return for Polisb support for Ger-

The last four years have witnessed an epic

military migration eastward. The Soviet Army

is packing up and going home.
Viewed from Warsaw, there is a dreamlike quality to some of these developments, as if

"At the moment, Russia is weak," said Mr.

Geremek, a prominent medieval historian be-

fore be turned to politics. But we know that this is a transitional period. The Soviet empire

could he succeeded by the Russian empire. In

some years. Russia will become a superpower

again - and the memory of this period of

weakness will have an important psychological

impact on a new generation of Russian lead-

Poles also are wary of the xenophobic mood in many West European countries, Mr. Gere-

they were too good to be true.

usz Onyszkiewicz, puffing on his pipe.

any other options on offer.

The agreements brought protests among nationalist Ukrainian leaders, some of whom adding that Kiev might agree to a military union with Russia in the Black Sea. as prodemanded Mr. Kravchuk's resignation

"I so along with the position that the Black Sea warships belonging to Ukraine must be sold," Mr. Kravchuk said, adding that Kiev had underestimated the seriousness of the

"We must sell all surplus armaments to obtain money," he added, "after which we can rebuild the Ukrainian Navy.

Russia drove a "very hard" bargain at the summit talks, he said, but Ukraine had to face realities, including energy debts of more

Nevertheless, Mr. Kravchuk made it clear that no agreement had been signed and that the final decision was up to the parliament. He said his policy aimed to prevent conflict between the two former Soviet republics,

LEGACY: Poland Gets Free-Market Progress With the Transitional Pain

mek fears that the Oder and Neisse rivers, which separate Poland and Germany, could become a European Rio Grande, dividing the

"We are lighting to obtain a place in Europe,

but it is becoming more and more difficult," he

said. "When we look westward, to the Europe-

an Community, we do not see a policy of openness. We see markets that are closed to

During the last few years of its existence, Poland's Communist regime bad an instantly recognizable, and widely detested, public face.

Its features included a huge bald head, bulbous nose, sharp eyes and possibly the largest pair of

ears in the country. With his incisive mind and

biting wit. Jerzy Urban - the official spokes-

man of the government under the last Commu-

nist leader. General Wojciech Jaruzelski - was

the scourge of Solidarity, the man who loved to

widely read weekly magazine. Mr. Urban is a

Today, as founder-owner of Poland's most

The transformation of a former Communist

pokesman into a capitalist entrepreneur dem-

since it embarked on its forced march to a

market economy following the election of a

Solidarity-led government in the summer of

1989, It is also a reflection of the inevitable

difficulties the country has encountered. Mr.

Urban's formula for getting rich has been re-lentless criticism of what he considers to be the

Over the last three years, Poland has used the

technique of shock therapy to dismantle its

Marxist-style command economy. The removal

of almost all controls over prices and the abrupt

withdrawal of subsidies to state-owned fac-

tories — in one sweeping government act in January 1990 — transformed the economic life

of the country almost overnight, It filled previ-

ously bare shop shelves with an abundance of

food and consumer goods, and forced the bank-

rupt industrial dinosaurs that used to dominate

the economy to radically restructure or go out

Tight monetary policies brought Polisb infla-tion down from more than 450 percent a year in

the last months of Communist rule to around

35 percent today. The government also built up

freely converted into Western currencies — allowing Western cars, electronics and other

the national currency, the zloty, so it could he

onstrates the distance that Poland has come

rich from the poor.

multimillionaire.

ugly side of capitalism.

of business.

posed by Moscow.

On Russia's proposal to take charge of the dismantling of the nuclear warheads still stationed in the Ukraine, the president said the agreement would come into force once it had been ratified.

Mr. Yeltsin said Russia would return uranium from the missiles to Ukraine to be used in reactors.

There was no indication when parliament would meet to ratify the agreements. It has so far failed to ratify the first round of the Strategic Arms Reduction Treaty signed by the former Soviet Union and the United States in 1991.

Russia, Belarus and Kazakhstan, the other nuclear-armed republics, bave all ratified the

imports to pour into a country long deprived of

consumer goods, and fostering a favorable cli-mate for investment by new Polish capitalists as

well as Western companies, which have pur-

Within months, the post-Communist govern-ment succeeded in privatizing almost all of the country's stores and its retail trade, auctioning

them off to the highest bidder. It set up a stock

market and developed a program — yet to be fully implemented — to privatize larger state companies en masse by creating Western-managed investment funds to own and operate

The results, at least on paper, have been

impressive. After a steep drop in production in

1990-91, the Polish economy has begun to ex-

pand. Industrial output in the first half of this

year was nearly 10 percent higher than in the same period last year. The foreign trade balance

is in the black, as exports to the West have

grown astronomically. The nearly 2 million

private firms in the country account for 45

of money-losing state-owned companies bas

spread unemployment, now at 3 million people.

or nearly 16 percent of the work force. Like other former Communist countries, Poland has

also suffered from a series of corruption scan-

have taken place in Poland are very painful for

the majority, and this majority is expressing its unhappiness, said Mr. Urban, explaining the

phenomenal success of his magazine. Nie (Pol-

ish for "No"), which is based on a formula of

than Mr. Urhan. With his gold cufflinks, polka-

dot tie and cream suit, he is the very image of

the nouveau riche. As he relaxes on the terrace

of his luxury villa — the former residence of the

Mexican ambassador — his chauffeur polisbes

his blue-green Jaguar in the immaculately tend-

Although he would never concede the point

The economic system that we have now is

in his own magazine, Mr. Urban acknowledges that many of the changes in the country have

more logical, more concise," be conceded. "The

political regime is definitely superior to the one

There is, of course, an irony in all this: Few

ople have benefited more from the new order

"The social consequences of the changes that

dals. The crime rate has shot up.

criticism, satire and erotic cartoons.

ed courtyard beneath.

been for the better.

ercent of the economy.

The downside is equally obvious. The closing

chased some of Poland's biggest factories.

#### IN THE REALM OF APPEARANCES: The Art of Andy Warhol

By John Yau. 128 pages. \$19.95. The Ecco Press.

Out of his corner, windmilling and punching up a storm, comes the poet, critic and gadfly of the art scene, John Yau. Yau is addressing the 30-year Andy War- geous wit is a way of expressing hol phenomenon, in decline, perhaps, since a depressed art market and the inevitable leakage of hype sold because there is no artistic realicut of a posthumous balloon cut ty apart from publicity and sales. the \$600 million valuation of his estate by two-thirds.

More generally, Yau's collection of epigrams, apothegms and plain insults buzzes around the wider phenomenon of Pop Art and postmodernism. Not that postmodernism, Pop Art or even Warhol are necessarily his targets; sometimes he seems to speak out for them. In this intellectually unzoned book, where ramsbackle shanties multiply among at least one shining construction and a few elegant ones, it is not always clear where Yau stands. Many of his punches are aimed at the art and art-critic establishment, but be hops back and forth and gets in the way of some of them himself.

Yau is provocative to a fault. The trouble with saying so is that il is misleading as well as true. Mislead-ing, because in our combative culture "provocative" is a compliment. Provocation has been the reigning piety of the Western tradition at least since Erasmus. It would be wrong to question it but not, perhaps, to point out that it can stunt as well as generate. Sideswiping a baby carriage is provocative.

Yau spares baby carriages, but he is pretty lethal with writers who deal with contemporary art.

Brilliant in one important respect, the book is confusing, repeti-tive and disjointed. An epigrammatic approach can take all this: what it requires, on the other hand, is glittering sentences. Many of Yau's ignite a spark and immedi-ately envelop it in smoke. Others can be sloppy.

But Yau has a number of ideas that are provocative in more than the baby-carriage sense. One in particular makes the scattershot bombardments just about worth getting through. It proposes an illuminating distinction in one of the great lineages of contemporary art; the one that goes back to Dada and Surrealism and comes down to the resent day, and that runs from Marcel Duchamp and Rene Magritte down to Warhol, Jasper Johns, Julian Schnabel and Jeff Koons, John Cage in music, and a whole range of performance art.

Among the apparent frivolity, the comic shock effects, the seemingly perverse irreverence, the de-

liberately glitzy outrageousness that characterize these artists in different ways, Yau makes a fundamental distinction. In Duchamp, Cage and Johns he sees a continuation of the artistic tradition of a search for reality, bowever idiosyncratic the means. In Warhol and his Reviewed by Richard Eder followers be sees a kind of abdication from the search, in favor of aesthetic complicity with what will sell. For Duchamp and his heirs — I extrapolate Yau's point - outrawhat is real; for Warhol it is some-

thing that will be publicized and

Yau goes on to try to pin down the difference, and he does it persuasively. He compares Cage's "4" 33"," in which the performer sits still and gives us silence for the length of the title, with Warhol's film, "Empire," which is an eight-hour shot of the Empire State Building. Seemingly alike, the two provide entirely different experiences. The silence in Cage is transparent; we sense the polse not only of our own body rhythms, but those of our neighbors and the sounds that may come through the windows. They open us up to a dynamic introspection. "It is the very opposite of silence," Yan writes. "It directs us towards what

By contrast, "Empire" seems to shut us down; "it muffles the noise of life."

BOOKS

by the two works. Yau goes on to and deliberately without reverberamake an even riskier - yet to me convincing — contrast between Warhol's Brillo boxes and the Jasper Johns sculpture of two bronzed beer cans, one full and one open and empty. The first we glance off of: it proclaims its own lack of any meaning beyond its surface. The

Not only does Yau have the courage to assert what is undemonstra-ble, yet seems instinctively right, but be further suggests a figure that be-Los Angeles Times.

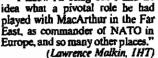
Cage and Johns draw us into a sense of life."

This may appear tenuous or arbitrary, yet it does correspond to the as the work of Warhol and his epivery different experiences offered gones is instantaneous in its effect tion. The passage of time, the journey our musings take, connect us to reality. They assert the processes of life in its flowering, its entropy and its sadness. This is an insight that gives Yau's book, despite its many flaws, a "during" of its own: one that keeps ticking away after we have finished it.

Richard Eder in on the staff of the

#### WHAT THEY RE READING • Murray L. Weidenbaum, head of the Center for the Study of Ameri-

can Business at Washington University, is reading 'Inner Circles: How America Changed the World," a memoir by Alexander Haig. "I know Al Haig but I had no





#### CHESS

By Robert Byrne PETER Leko of Hungary, 14 years old, beat David Garcia

Ilundain the Spanish international grandmaster in early June. In the Benoni Defense, it is usual

Tennyson called 'the noise of life."

for Black to play an early...d6 to prevent White from gaining too much ground with e5, but Leko held off to save a tempo for his aggressive thrust with 6..b5!? On 7 Bb5, there would have followed 7...Ne4! 8 Ne4 Qa5 9 Nc3 Bc3 10 bc Qb5 with good play for Black.

ance with 7 e5 Ng4 8 Bf4 b4 9 Ne4 Qb6, ready to meet 10 Qd2 by whit-tling down the white center with 10... 16. He had no fear of 10 h3 Nh6 gains material for Black, and to 22\_Ne5, when White must lose another pawn to 23 Bd3 (23 Bb3? a4) Bd5 (24 Bd 27 Bd5) Bd5 (23 Bb3? a4) Bd5

On 11 Qd2 Nf5, Garcia Ilundain should perhaps have made up his mind whether he wanted to play for neither play 25 Rhel Nf3 nor 25 On 11 Qd2 Nf5, Garcia Ilundain a kingside attack or for positional 14 0-0 would win a pawn, Leko's Ng3 Bhl 26 Rhl fg and was two Qd4 16 Rd4 d6 would are the state of the state maneuvering in the center. If he thought that 12 g4 Nd4! 13 Nd4 cd Qd4 16 Rd4 d6 would prove he was

be met by 15...Be5??But Leko had switch to the kingside, if that seen quite far, first to 19...d6, when proved necessary.

Hundain threw caution to the winds with 31 Qg2, but after 31...Qd3 32 Ng5 Qc4!, be still could not get the attack he was trying for. After 34...d3!,35 Qb7 Kf8. Gar-cia Ilundain could not capture with 36 Qg6? because of 36...Bb2! 37 Rb2 Rfl 38 Rbl Qc3 mate.

After 39 Qg7. Garcia Ilundain was horing that be could expose the black king, but on 39...d2! 40 Qg6 Kd7 41 Qb6 Rf1 42 Qa7 Ke8, there was no perpetual check and no defense against 43...Rbl 44 Kbl dl/Q mate. Garcia Ilundain gave

Qe2 Nd3 26 Rd3 Be4, winning

Leko tied the white queen down with 29...Qb5!, at the same time Garcia Ilundain's 15 Bb6 had to positioning his own queen for a

BENONI DEFENSE					
White Garcia	Black Leko	White Gercia	Blac		
t d4 2 Nf3 3 d5 4 Nc3 5 e4 6 8 E2 7 e5 8 Bf4 9 Ne4 II Qd2 12 &4 I3 Nc4 I3 Nc4 I4 COO-O 15 Bf8 I7 L4 18 f5 19 Bf4 20 If	N55 65 70 55 65 65 65 65 65 65 65 65 65 65 65 65	22 h5 23 Bd3 24 hg 25 kg 25 kg 26 kg 27 Ne4 28 Kd 29 kg 33 Qg 33 Qg 33 Qg 33 Qg 33 Qg 34 Rb 35 Qb 35 Qg 40 Qg 41 Qg 42 Qg 43 Re 42 Qg 43 Re 41 Qg	Ned Occidents of the Control of the		

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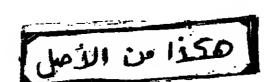
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### **Defense Industrial Policy**

The Clinton administration is right to saying that America needs a defense industrial policy but the idea is not as new as it sounds. The country has had such a policy for 50 years. The only thing different now is that there isn't a bear. It is harder in pure peacetime to justify everything to do with defense, including the maintenance of a defense industry.

The industry is a hybrid. The contractors walk, talk and quack like private corporations but in fact at a certain level they are merely the kept manulacturing arms of the Defense Department. The government is their nnly or dominant customer, if not of the companies as a whole, then of the divisions that look to defense for their business. With-

out the government, they would cease to exist.
The department, through the terms of the contracts it signs with the firms, helps pay for the research and development that it itself inspires. It helps pay for the plant and equip-ment. It pays the labor costs and overhead, covers the companies against losses (oot all. hut some), forgives them their infractions as well. Where else would it turn if they went out of business or had to be debarred?

The administration proposes to buy a costly Seawolf attack submarine that the navy does not need just to maintain a submarine-building capability. But that is hardly the first time in history that the government has kept alive a defense production line for other than reasons of military necessity. Mostly when it has been

inbs and only incidentally to save the technical skills. When the president said in last year's campaign that he favored building an-nther Seawolf, he was accused (by George Bush, of all people) of playing politics with defense, and plainly to some extent he was; the sub is built in Connecticut, and be announced his position just before the Connecticut primary. But it was not all politics then, and it is not all waste or foolishness now. There is oot

exactly a large civilian market for submarines. Who will be able to build one X years from now if the operation is shut down? The administration is being selective about this. The go-shead on the Seawolf is a good decision.

Defense officials see other, more systemic problems ahead as the industry shrinks. The

department may end up with a lot of sole suppliers. That is not healthy, but it may not be possible to avoid. There may be some antitrust problems as well, and the longer the build-down continues, the greater will be the pressure to subsidize the surviving firms. People will try to game the system; we shall shortly discover that every defense contractor in the country has a critical skill that it is in the national interest to preserve. But that is the usual chaff, and it is in the country's interest to be sure that it has a defense industrial base in the same way that it has the rest of what it oeeds for defense.

- THE WASHINGTON POST.

### **Peronist Backsliding**

Argeotina's president. Carlos Menem, proudly claims the mantle of Juan Peron, the charismatic strongman whn transfixed his na-uon from the 1940s through the '70s. And with his brilliantly successful economic poli-cies. Mr. Menem has revived the political fortuoes of the Peronist movement. Unfortunately, Mr. Menem seems to have revived some of the negative sides of Peronism as well, iocluding thuggish attacks on reporters who dare to criticize his government.

it's points out. I shilly, that be is a Peronist with a difference. Where Peron nationalized, Mr. Menem privatizes. And where Peron won ovations and elections by demonizing the United States, Mr. Menem loves in boast of the "carnal relationship" be has established between Boenos Aires and Washington.

The idea has been to revitalize Argentina's once thriving economy with a new burst of foreign tovestment lured by political stability and consistently pro-market policies. So far, Mr. Menem's approach has been a stunning success. Inflation bas been subdued, a longabused currency has been stabilized and economic growth rates have soured. But a shadow

for law and democracy displayed by some Peronist loyalists, and on occasion by Mr. Menem himself. There is no evidence personally linking the president to the worst abuses. but he has sometimes set an unfortunate tone.

For example, the president bas carelessly appointed corrupt relatives and cronies to high office and has brazenly manipulated the courts. And by nfficially forgiving past acts of military insubordination, he bas undone painfully wan progress on establishing accountability and civilian control. Now his bitter attacks on press critics are widely believed to have spurred misguided loyalists to physically attack reporters.

There is an easy way for Mr. Menem to refute such damaging suspicions and reinforce his own record of reform. He could publicly clarify his personal commitment to free and unintimidated press and insist that criminal attacks against journalists and other critics be fully and fairly prosecuted. In Peronists and other Argentines, that could make a big difference.

-THE NEW YORK TIMES.

### A Changing Labor Scene

At a time when America's biggest companies are abruptly laying off longtime employees by the thousands, it is not surprising that Americans' thinking about jobs and job loyalty is changing. Labor Day this year was distinaished by the realization that the present churning in the job market is not temporary hut probably will continue.

For most of the past half-century, large corporations provided much of the middle class with a high degree of security, including a racit promise that the employee who performed well would stay on the payroll until retirement. In the past decade's epidemic of mergers, reorganizations and productivity drives, that promise has all but vanished. It is uncertainty rather than actual unemployment that is generating the growing sense of insecurity in the country.

Unemployment is, fortunately, falling. The great American job-creating machine, stuck in neutral for several years, is now back at work. During the past year the labor force has growo by a million people, nut the oumber of jobs increased by 2 million. The result was that unemployment came down by a million. and the unemployment rate fell from 7.6 percent of the labor force to August 1992 to 6.7 percent last month. That is a remarkable

achievement and reassuring. So why do consumer surveys continue to show high levels of uneasiness and caution? Part of it is that earnings are not moving much. There has been some increase in average compensation during the past year, but most of it has been in fringe benefits particularly the soaring costs of health insurance. Cash wages and salaries have not quite kept up with inflation, and that has hurt,

But the larger cause of this mood is the succession of announcements of layoffs by companies whose names are household words. The Family and Work Institute, a research organization, recently carried out a study of perican working people's views of their jobs and their options. Of the several thousand people it interviewed, two out of every five had been through a corporate downsizing, and one of every five now fears being laid off.

If the big companies can no longer offer old-style job security, what can they offer employees to obtain the commitment and cooperation that high productivity requires? The institute's study had a lot to say about that. Employees want a little more time to themselves and more flexibility to take care of personal concerns. Half live in two-income families, and half have dependents - usually children, but increasingly often elderly parents. The strong implication s that the successful companies will be the ones that become most adept at accommodating

employees' personal responsibilities.

To maintain a highly competidve market economy with fast reflexes, capable of shifting labor quockly from one industry to another. government is going to have to play a bigger role. It is going to have to provide much of the security that the big corporations once did, as people bounce from one employer to another. You can see that shift beginning to happen in the Clinton administration's plans for universal health insurance. Pensions will come next. Instead of promising lifetime jnbs and benefits, employers will compete for good people hy offering congenial working conditions for those who need flexibility.

-THE WASHINGTON POST.

#### Other Comment

#### Doubts about the Sanctions

President Bill Clinton's concern about the proliferation of weapons would have been more conviocing if the sanctions imposed on China did oot lonk suspiciously like diplumatic temporizing.

Circumspection is obviously warranted, for the United States is on most shaky ground; No evidence has been advanced to establish conclusively that the range and payload of the M-11 missile, which China is accused of exporting to Pakistan, exceed the limits of the

Missile Technology Control Regime. Beijing is bound by that regime, since it promised the Bush administration that it would respect the agreement. But the Chinese can hardly be held to the promise on the basis of vague and unconfirmed intelligence reports that both they and the Pakistanis have rejected.

Regrettably, however, this kind of arrogance is increasingly becoming a feature of American diplomacy in respect of develop-ing nations that question U.S. hegemony or threaten American exports.

- The Straits Times (Singapore).



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### Postpone NAFTA Until Mexicans Get Democracy

By Jeff Faux

WASHINGTON —A recent cho-rus of editorials and opinion columns supporting the North American Free Trade Agreement reflects the widespread Washington delusion that the proposal is in trouble because labor unions, environmentalists and right-wing know-nothings are playing on the irrational fears of a public ignorant of economics. Nothing wrong with NAFTA, of course.

George Will blames the opposition on "timid legislators." The Washington Post editorializes against a "new isolationism." Gerald Ford complains that the White House is not making a

hard enough sell.

But the Bush and Clinton administrations have been pitching NAFTA for three years. The Mexican govern-

Through a variety of means, includ-ing use of the armed forces to intimi-date workers and the establishment of business associations to fix wage attract foreign capital. The absence of an effective political opposition.

a free hand in economic policy. By guaranteeing Mexican producers access to the U.S. market in return for protecting U.S. investors against policy changes by future Mexican governments, NAFTA locks in the

Democracy is the only guarantee that freer trade will help the workers on both sides of the border.

ment is spending at least \$30 million to promote it, and U.S. corporations have added millions more The toterests bebiod NAFTA

should save their money. Polls show that the more average working people hear about NAFTA, the less they like it. Common sense tells them that they will be losers. They are right.

The central economic problem is that labor productivity in Mexico's export industries is typically 80 to 100 percent of U.S. levels, while wages are 10 to 15 percent. This encourages manufacturers to produce goods in Mexico for sale to the United States. It has already cost roughly 500,000 U.S. inbs and downward

pressure on wages.

The wage-productivity gap stems from the policies of the present au-

HONOLULU — The body of Ferdinand Marcos returns to the Philippines this Tuesday from Hawaii. Although he died in exile

three and a half years ago, political turbulence

three and a half years ago, political turbulence still swirls around his name.

Mr. Marcos fled the Philippines in February 1986 to escape the wrath of his people. Their "people power" revolution ended nearly two decades of largely dictatorial rule. The impending homecoming of his corpse has resurrected bitter and divisive memories.

Followers of Mr. Marcos are determined to

Followers of Mr. Marcos are determined to

bury him as a hero worthy of a state funeral. His body is being flown in his bometown of Lacag in northern Luzon, accompanied by supporters.

The party is being led by Mr. Marcos's son

Ferdinand Ir., now a congressman.
The controversy over whether Mr. Marcos

models do not apply. Thus, despite efforts by NAFTA advocates to label all opponents as protectionists, it is perfectly consistent to be in favor of free trade and against NAFTA.

NAFTA supporters bombard us with a jumble of statistics. One writer says exports to Mexico are creating 400,000 jobs, another 700,000, two others, 800,000, About the jobs lost to imports from Mexico and the shift of investment from the United States to Mexico, there is silence.

Supporters claim that the twoyear-old U.S. trade surplus with Mexico "proves" that NAFTA will create jobs. But the surplus is not a result of trade liberalization. It icflects an overvalued peso. Even pro-NAFTA economists have admitted that the peso is likely to fall by 10 to

more then wipe out all the advan-tage to the United States of eliminating Mexican tariffs.

Mnreover, the surplus is in capital goods, not consumer goods. Ameri-

rates, wages are kept low in order to an independent judiciary and tode-pendent labor and environmental organizations gives the government

current low-wage policy.
In such circumstances, free trade

to hire, it is cheap to train.

Thus, to the long run NAFTA will undercut any chance that Americans have to create a high-skill, high-wage answer to global competition. It will encourage U.S. producers to compete by lowering wage costs rather than by creasing tovestment and organizing

high-performance workplaces. Unfortunately, the recently announced side agreements do nothing to address the question of suppresse wages to Mexico. They contain no labor standards, and they limit requirements that Mexico enforce its own laws to only three areas—minimum wage, health and safety, and child labor. References to high wages and a fair distribution of income that were in the preamble of the original U.S. draft were stricken in the agreed-upon version.

cans ship machinery south to expand the capacity of Mexico's low-wage

factories to produce consumer goods for sale back in the United States.

The prize in NAFTA is not Mexi-

co's market, it is Mexico's labor

force, which is educated, disciplined and trainable. In fact, NAFTA pro-

vides more incentives for U.S. businesses to train Mexican workers than

American ones; where labor is cheap

The side agreements are silent on questions of air pollution and wildlife protection. And they set up a bureau-cratic maze that will make it all but impossible for redress of grievances even on those few topics it covers. The side agreements have already

tary of commerce, who recently assured Mexican legislators that "the time frame of the process makes it very improbable that the stage of sanctions could ever be reached."

We are told that defeating NAFTA will bring a crisis to Mexico. Henry Kissinger warns darkly of President Carlos Salinas's "left-wing" opposi-tion ready to "boil to the surface." But Mexico will be to a crisis anyway when the financial bubble promoted by foreign speculation bursts. It makes no sense for the Clinton administra-tion to further load onto American workers - already facing slow job growth, continued erosion of incomes and the cost of paying for America's own speculative excesses of the 1980s — the burden of saving Mr. Salinas and his corrupt party from the conse-quences of their own mistakes.

The next president of Mexico, whoever it is, will have to cooperate with the United States. In any case, the choice should be left to the Mexico. cans, not manipulated by a tired Washington foreign policy establish-ment with time on its hands now that

the Cold War is over. The U.S. Congress should insist—
as the European Community did before economic integration of Spain,
Portugal and Greece—that democracy in Mexico precede an agreement on a common North American market. Democracy, not side agreements that the Mexican roling class has already shown it holds in contempt, is the only guarantee that freer trade will help the people on both sides of the border who work for a living. The first step down this more responsible path is to reject NAFTA.

The writer, president of the Economic Policy Institute, contributed this

minnrity, incapable of compromise. Their kind of politics, Filipinos should be reminded, drove people to the streets in protest. President Marcos had precluded any chance for a peaceful alterna-

The Marcos camp is pressing hard to keep its feud alive with those who replaced it to power.

The corpse of the late president is being used as a rallying point. This ghoulish politics is taking place at a time when the focus of the nation

In the interests of unity and reconstruction,

The writer is editor in residence at the East-West

Center in Hawaii and editor in chief of The Manila Chronicle. He contributed this comment to the

tion to power through free elections.

should be on economic recovery.

International Herald Tribune.

Mr. Marcos should be buried quietly.

# A Bargain Worth The Risk

By Michael Oren

The writer is director of . the Israel Office of the American Jewish Committee.

ERUSALEM — In the past, Israeli leaders could only dream of such a situation. World attention, drawn to smation. Worki strented, clawn in bloodshed elsewhere, is no longer riv-eted on the Middle East. There is no Soviet Union in contend with no. Arab oil weapon to repulse. The PLO is bankrupt.— its embassies close as is bankfully and the intifada is dead. Best of all, the Clinton administration is more enamored of Israel than any since Harry Truman's.

Why, then, with the odds so overwhy, then, with the outs so over-whelmingly in its favor, is the Israeli government willing to trade territory on the Golan Heights for peace with Syria? Why is Prime Minister Yitz-hak Rabin proposing autonomy for the Palestinians to the West Bank and Gaza? Clearly a change has taken place in the perceptions of Israeli lead-ers if not in the nature of their dream. ers, if not to the nature of their dream.

That dream was always the vision of peace. But Arabs did not share the vision. For years they were sworn to Israel's destruction; they could not even bear to utter its name. The first even near to utter its name. The first change, then, had to come not from Israel but from one of its neighbors. A tactical change, mainly, for few Arabs truly accept the Jewish state, and some, like President Hafez Assad of Syria and the PLO leader, Yasser

Amfat, have never renounced terror. Nevertheless, most Arab leaders are today willing to live side by side with Israel because peace will enable

#### The new Israelis alter the priorities of the old.

them to deal with more pressurg concerns, such as economic development

and Islamic fundamentalism. Such expediency is good news for Israel, but nnt so good as to make it cede parts of the biblical homeland or to take tremendous risks for peace. The incentive for that lies not only with the end of Arah beiligerency, but with the economic and social benefits that will accrue to Israel.

Israel in recent years has seen last and far-reaching change. It has given shelter to a half-million refugees from Ethiopia, Eastern Europe and the former Soviet Union. This vast influx has stimulated the economy and enriched it with some of the world's finest minds. But it has also created needs— for jobs and housing, for higher stan-dards of health and education.

The new Israelis are altering the priorities of the old. Successful absorption of immigrants, whose num-bers may double by the end of the decade, is incompatible with huge outlays for defense.

The roots of Israel's change run deep. After generations of sacrifice and pain, Israelis want a better life for themselves and their children. This is not to say that they lack clan - nnly the frontiers have changed. Instead of draining swamps, Israelis build factories. Today's pioneers want in do for software what their forebears did for nranges.

The result is an annual growth rate of 6.6 percent - among the world's highest - while inflation continues to fall. But Israel's economic poten-tial cannot be fulfilled without largescale foreign investment, and that will not come without peace. Only then can resources be devoted to improving communications and industrial infrastructure - crucial if Israel is to compete in the world market. Peace indeed has a price, but for Israel the dividends stand to be enormous.

Some things remain the same. The Middle East is still a dangerous place, where religious zealotry mixes with rapid nuclearization. The dream must not obscure unpleasant realities, but neither need it succumb. Israel's recent defeat of fundamentalists in Lebanon showed that it can pursue peace and yet strike hard when it has to.

Peace, even if achieved, can never guarantee Israel's security. But what better way in meet future challenges than with a solid economy, a sound society? Israel's swords may be beaten into computer chips, which, in turn, will strengthen its spears.

Although this is a situation that Israeli leaders once dreamed of, the

vision of peace has yet to unfold. But the majority of Israelis are prepared for it, with all the risks it entails. A century ago, Theodor Herzl de-scribed a robust Jewish state that

would take its place among nations. His motto was "If you will it, it is no dream." Israelis today have the means to realize Mr. Herzl's vision. They must keep the will to dream. International Herald Tribunc.

#### Immigration: Stem the Flow, Savings Will Follow HOUSTON —In 1992, two major studies reported that immi-By Donald L. Huddle sional legal immigrants - 38 per-

Marcos: Filipinos Don't Need This Ghoulish Fuss

By Amando Doronila

should receive state bonors reflects a national

obsession for politics. This obsession is diverting

the people's energy from severe economic prob

lems, many of them a legacy of the Marcos years.

The government of President Fidel Ramos has allowed the body of Mr. Marcos to return in the

to terests of national reconciliation. But, to avoid

reopening old political wounds, it has insisted

that the body go straight to Lacag for burial and

not be brought to Manila.

Nonetheless, the Marcos camp has managed to put President Ramos on the detensive, shifting

the emphasis from the late dictator's disastrous

legacy to his achievements.

Mr. Marcos's followers are a small but vocal

grants used up a lot more public money — for education, medical care, welfare and other social benefits than they paid to taxes that year.

in a Los Angeles County govern-ment report, the gap for 2.3 million immigrants, both legal and illegal, was \$808 million in county costs. A study of San Diego by the andiror general of California found that the net cost of state and county services for 200,000 illegals was \$145.9 million.

Both studies emphasized that while the county governments were bearing a large share of these costs, the feder al government collected the lion's share of immigrants' tax revenues and returned little to the counties.

State governments may be in a similar position. Last month, Governor Pete Wilson of California said that illegal immigrants and their U.S.born children (who are citizens) were costing the state 52.9 billion a year for only four services: welfare, education, health care and - if it can be called a service - incarceration.

A study I conducted for the Carrying Capacity Network, a nonprofit educational organization, was the first comprehensive assessment of the costs of immigration at the federal, state and county levels.

Do immigrants as a group contribnte enough in federal taxes to cancel out the burden they pose at the county and state levels? Or does government spending on immigrants out-weigh their tax revenues? The answers have obvious implications for immigration policy.

Our nationwide study assessed the net costs to taxpayers of immigrants who have arrived since 1970 and projected spending nn those expected to arrive from 1993 tn 2002. It examined 23 categories of federal. state and local assistance, including

county health and welfare services. In

three previous field studies, I found that for every 100 unskilled immigrants who were working, 25 or more unskilled outive-born Americans were displaced nr unable to find employment.

The Carrying Capacity Network study calculated the costs of public assistance for 2.1 million American workers displaced by immigrants, us-ing the 25 percent displacement rate. According to 1990 Census data, the poverty rate of immigrants is 42.8 percent higher than that of the native-born. On average, immigrant bousebolds receive 44.2 percent more public assistance dollars than do

native households. Public assistance costs in 1992 at the county, state and national levels were \$42.5 billion for the 19.3 million legal and illegal immigrants who have settled in the United States since 1970. These are net costs, after deducting the \$20.2 billion in taxes paid by immigrants and including the \$11.9 billion for public assistance for the 2.1 million displaced Ameri-

can-born workers. The biggest expense was for primaand secondary public education, Inllowed by Medicaid.

And these costs are projected to rise, assuming that laws and their enforcement don't change. Our esti-mate is that II.1 million immigrants. legal and illegal, will enter the United States in the next decade.

The bill for supporting all immi-grants and the American workers they displace for those 10 years will

#### Correction

The article on this page yesterday by Amos Oz was adapted by The Washington Post and abridged by the

total \$951.7 billion. We estimated that the immigrants will pay

\$283.2 billion in taxes.

Thus, there will be a net cost to U.S. taxpayers of \$668.5 billion over the decade. Legal immigrants will account for almost three-quarters of the total cost; illegal aliens will account

> The costs over the oext decade may increase if, as some project, the ountber of immigrants rises above the 11.1 million our study estimates. And the number may rise even more because spending is being in-creased for programs such as the earned-income tax credit and other services that act as magnets for po-

tential immigrants.
The Clinton administration's anticipated plan for universal health coverage would significantly raise medical costs for immigrants, a larger percent-age of whom tend to be uninsured. Indeed, access to public health care alone might be enough to attract oew immigrants, particularly those with difficult medical conditions.

How can this growing burden be reduced? It should not single out legal immigrants for cuts in entitlements because that would be discriminatory. But it should tighten financial responsibility requirements for families and other sponsors of immigrants.

A better way of cutting the costs would be to reduce immigration and select entrants more carefully. Current law incorporates a preference for family reunification and for political asylum-seekers and refugees.

Aliens who received amnesty under

the 1986 immigration act are becom-ing eligible to bring to their families. World events could encourage an even greater number of refugees, most of them low-skilled and dependent. If the policies were changed, however, in accept only skilled or profes-

cent of the current flow - the United States would avoid a project-ed cost of \$171.8 billion, while netting a modest revenue gain of \$13.7 billion by 2002.

Curbing illegal immigration could save \$186 billion by 2002. Stricter control of the border, enforcement of sanctions against employers who hire illegals and better programs to screen immigrant welfare applications could help stem the flow.

The writer is professor emericus of economics at Rice University. He contributed this comment to The New

### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Russians Welcome PARIS - The enthusiasm aroused by

the coming visit of the Russian fleet to Toulon, which is regarded as a public affirmation of the Franco-Russian alhance, is steadily increasing. At Tou-lon a splendid welcome is being pre-pared for the visitors, and the Mayor of the city is to journey to Paris to invite the President of the Republic and the members of the Cabinet to take part in the official rejoicings.

#### 1918: Horizon in Flames

WITH THE FRENCH ARMIES -At the present rate of progress the Allies will soon have driven the enemy from all the ground gained by him this year. The Forest of Saint-Gobain, which sheltered the first longrange gun that shelled the region of Paris, and which was the cornerstone of the Hindenburg Line where it turned eastward, is under fire of the French guns. The German retreat during the past few days has assumed

the physiognomy of that of March of last year. The horizon at night glows with the light of conflagrations. This time, however, the Germans themselves furnish most of the fuel, from their own stores of supplies, which the pressure of the Allies is obliging them either to leave or to destroy.

#### 1943: U.S. Responsibility

CAMBRIDGE, Massachusetts — [From our New York edition:] Prime Minister Churchill made a frank plea today [Sept. 6] for post-war British-American co-operation, both mili-tary and political, as absolutely essential to the safety of the two nations and to world security, and pointed to the ultimate possibility of a common citizenship between the two great English-speaking nations. Mr. Churchill asserted that the Unitod States, "in many ways the leading community in the civilized world. cannot hope to escape the responsibility which goes with its power in time of either war or peace.

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INTERNATIONAL HERALD TRIBUNE, TUESDAY, SEPTEMBER 7, 1993

OPINION

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To Fight a Real Gridlock By William Safire HARPERS FERRY, West Virginia In his story of The Purloined Letter," Edgar Allan Poe showed that the best place to hide anything from avid searchers is to leave it in plain view. In the same way, President Bill Clin-

ton conceals his strategy from probing pundits by laying it out for all to hear on his weekly Saturday radio address. The entrails-reading class — preferring to rely on leaks, trial balloons, intimate dinners or the convoluted webs of White House spinmeisters — scorns the most obvinus source of all, and the strategy remains successfully hidden.

No longer. In his Labor Day weekend radio speech, the president presented a

For Clinton to break the legislative deadlock will require a broad front that engages a range of armies --- not a beachhead that can be stopped by a single party or coalition.

phrase and a synthesis that reveal his emerging political plan.

The phrase was "Forward Together." remember those words. In Richard Nixon's 1968 campaign, the candidate purported to see a little girl in Deschler. Ohio, waving a handmade sign, "Bring Us Together," and we speech writers made a big deal of it. But after the victory, when the media began to make that the theme of the new administration the medial particular than the second that the s tion, the president-elect understood that unity in itself is static, not dynamic Because Americans put progress ahead of unity, Mr. Nixon quickly amended the phrase to "Forward Together."

Mr. Clinton evidently considers that score of movement, a feeling of change, to be central to whatever Clintonism is, He made the case in his campaign that democracy in America has gone from John Locke to gridlock: now, with both cods of Penosylvania Avenue controlled by one party, if he cannot overcome the executive-legislative impasse. his presidency will consist of one inter-

He had a close hrush with gridlock death in his budget blundering. He and his liberal advisers know that if he tries another leftward lurch, Democrats in Congress will not fall on their swords to

save his presidency or their party. That is why he now reaches for biparti-san backing for a less ideological agenda. At this stage, movement in itself — any way but backward — is as important to Clintonism as the setting of a course. Only by building a floating majority can he build the momentum - in any direc-

tion — to overcome his bete noire, grid-lock, hence, "Forward Together." Forward, in Clintonese, no longer means "done by an activist govern-

A Semblance of Movement

ment": rather, it means "done better and cheaper than now." This recalls Michael Dukskis's stupefying "compe-tence, not ideology," but it goes on to promise more service at less cost. To jump-start this activity, he must wire his crusades in parallel, not in series, lighting up the landscape by generating a whole new set of controversies.

The necessary sense of movement, of breaking a deadlock, needs a broad front that engages a range of armies— not a beachhead that can be stopped, as it almost was in the budget fight, by a single party or as it could be in trade or health policy, by a single coalition.

In this weekend's radio address, Mr. Clinton placed his policy on a tripod: extended health care, appealing mainly to the left; free trade through NAFTA, appealing to the right; the savings of government efficiency through reinvention, altractive to all Despite warnings of legislative indigestion or public-debate overload, Mr. Clinton is

presenting them together.

Why? If your purpose is to defeat gridlock, you must break up the usual alliances of entrenchments, realign the correlation of forces, reshuffle the deck. This is not merely Harry Truman's "if you can't convince 'em, confuse 'em"; it reflects a conscious effort

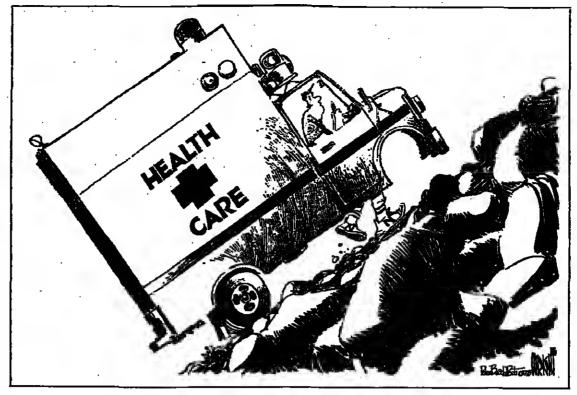
to scramble the old order. That scrambling takes place even within each of the three elements. Health care expansion, which began with scary statist talk of price controls and mandated employer coverage, is al-ready turning toward less cradle-tograve coverage with small-business re-lief, and labor givebacks to curtail

taxpayer subsidies. In the same way. Al Gore's "reinventing bureaucracy tries to be unionfriendly, empowering workers at the ex-pense of expendable managers, employment is also at the root of the NAFTA scrap, which attracts Boh Dole to Mr. Clinton's side while placing Ross

Perot on Ralph Nader's lap.
This is not a mad scramble, this is Clintonism's deliberate scramble of constituencies, with job enhancement or endangerment the common denominator. A great stirring of the pot is what The Great Tummler from Arkansas means by "Forward Together."

The New York Times,

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Let-ters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.



#### LETTERS TO THE EDITOR

#### The Road to Peace

We Somalis strongly support the Somali National Alliance's appeal to India, the Philippines and other countries not to send additional troops to Somalia to participate in the genocide and de-struction peddled by the United States.

We urge the international community to advise the aggressive American gov-ernment to stop interfering in internal Somali politics and allow the people of Somalia to run their own affairs.

Some people believe that the only way to restore the United Nations' credibiled to Conoco, Amoco, Chevron and ity in Somalia is for the failed U.S. Phillips by the pro-American former Today people realize that militaristic approach, and attempts to president, Mohammed Siad Barre, because of the United Nations' credibiled to Conoco, Amoco, Chevron and cranically oriented Russia. Today people realize that the United Nations' credibiled to Conoco, Amoco, Chevron and cranically oriented Russia. kill or arrest General Mohammed Farrah Aidid, to be dropped. A trusted outsider must be appointed to restart disarmament talks that would bring to-gether all clans and factions, including General Aidid's powerful alliance.

dent Jimmy Carter to mediate the current fatal struggle between Somalia and U.S.-led UN forces, in order to reach peace and stability in Somalia and to avoid more bloodshed and destruction.

ALI ABDIRAHIM FAQI. Dubai.

### Somalia: One Reason Why

Regarding "Clinton Does Have a Clear Foreign Policy: Just Ask Butros Ghali (Opinion, Aug. 28):

Jeane Kirkpatrick writes that "President Clinton and his top advisers have not explained why Americans should

tervention in Somalia when it published the Central Europeans joined NATO.

a dispatch by Mark Fineman of the Los Actually it is a bit of a mystery why Angeles Times on Jan. 19. Mr. Fineman reported, "Four major U.S. oil companies are sitting on a prospective fortune in exclusive concessions to explore and exploit tens of millions of acres of the

Somali countryside." The article went on to say that nearly if NATO waits long enough. But it is two-thirds of Somalia had been allocatfore be was overthrown, and that the companies holding the rights to the most promising concessions were boping that U.S. troops would "belp protect their multimillion dollar investments there,"

President Clinton would do well to We strongly urge the international heed George Ball's warning to President on it like his prede peace-loving community to support John F. Kennedy concerning plans to golden opportunity. General Aidid's call for former President on it like his prede golden opportunity. 1960s - the beginning of an intervention that resulted in the deaths of hundreds of thousands of Vietnamese and 58,000 American soldiers,

JANET BRUIN

#### Eastern Europe and NATO

President Boris Yeltsin of Russia has pulled the rug out from under those who argue against expanding NATO. The Poles, Czechs and Hungarians have been trying to joio the North Atlantic phy in American schools. Treaty Organization since 1990. The West has put them off, usually with the excuse that Russia would be offended.

become militarily involved in the internal politics of Somalia."

But on Aug. 25. Mr. Yeltsin made a joint declaration with President Lech Walesa of Poland, saying that it would not be contrary to Russia's interests if

some Westerners have kept treating ex-pansion of NATO as if it were something hostile to Russia. To be sure, it would be contrary to the interests of a neo-authoritarian Russia — and such a Russia may yet emerge to block NATO consonant with the interests of a demo-

Today people realize that the crises in Europe are not over and it is no time to be sitting on their laurels. They have begun to understand that only by extending NATO eastward can stability and peace be secured in the new Europe. If Mr. Clinton wants to be a leader in foreign policy, and not just waste time

IRA L. STRAUS. Committee on Eastern Europe and Russia in NATO. Washington,

on it like his predecessor, this is his

#### Old Kentucky Home

Regarding the New York Times edi-torial "Among the Millionaires" (Aug. 23), Dogpatch, the mythical home of L'il

RICHARD B. PARKER. Monterubbiano, Italy.

### They Eat and Talk Together (How Odd!) but Think Apart

By Garrison Keillor

ALBORG, Denmark — I am of Scots-English ancestry, a breed as common as sparrows, but in America a man can always better himself through marriage and so, a few years ago I mar-

I learned to speak Danish just well enough to get into trouble and I visit the motherland-in-law whenever possible and try to improve myself.

Denmark is a clean, well-regulated country populated by prosperous, literate people who all vote in elections, live in

#### MEANWHILE

handsome and modest surroundings and have no hang-ups about sex. An American can find plenty to learn from here.
Visiting my friends in Julland, for example, I sit at their dining table in candlelight, eating fish and salad, the conversation winding along in English — I am funnier in Danish, but I don't always get the joke myself — and suddenly, I am struck by the fact that we have had an entire hour of dinner and conversation, three adults and two teenage boys, and nobody has bolted from the table to go

play soccer or watch television.

Civilization is what we carry on over hinch and dinner. In America, where a family can go for weeks and never sit down in one place at one time and say 25 words or more, you sometimes wonder if conversation will exist 20 years from oow or if we will just network by E-mail.

But in this family, thanks to a strong Danish sense of order, the boys were made to sit at the dinner table and take part in conversation until they get old enough to have interesting opinions of their own, which is what makes conver-

sation enjoyable.

The Danish sense of order makes me uneasy, of course, I come from a nation of jaywalkers. In Denmark, people wait for the green light before they cross the street, even if it's 2 A.M. and the streets are described. It is a nation of responsible teenagers. No big dreams, no gutwrenching romance, no urge to rock the boat, just nice kids looking for their niche, building relationships.

The first Danish Christmas you see is pure magic, a long, lovely play, but by the third or fourth identical one, you wish that it could be rewritten. Danes are planners. They like itmerar-

ies and agendas. Planning makes Denmark look good. It is why there is no sprawl of junkyards and trailer parks, why there are pleasant streets and snug brick houses with red tile roofs behind high hedges and, on the other side of the last hedge, a golden wheat field. The ugliness all got voted down in committee. I take a bite of fish and mention to my

friends the story I read this morning on the froot page of Politiken, the leading Danish oewspaper, which reported the death of the prime minister's young daughter but did oot mentioo

the cause of death, which was suicide. My friends explain that Politiken would not report that fact, because it

was a private matter. I cannot believe that any newspaper in the free world would omit such a detail. "And everyone knows from the tabloids that she killed herself." I say

"Yes, but Politiken is a decent newspaper," they say. It is a question of order. The prime minister's privacy should be respected. This sense of decorum I find quaint.

knowing how frank and honest Danes are. Conversation in America tends to be an exchange of pieties, but in Denmark you come to expect boldness.

When you ask someone, "How are you?" she tells you.

Everybody ought to have a Dane to have lunch with. They will listen to you

I go to lunch with a friend and conver-sation starts out in Danish. We talk small talk for a few minutes and then the Dane says, in English: "Your Danish is getting better all the time. You don't really have an American accent at all." And then we switch to English and go

into high gear. You can talk about death, God, op-You can talk about death, God, opera, politics, your kidneys, your taste in pornography, anything at all. You can say how boring Denmark is, what a bunch of arrogant drunks they are, how you really much much prefer Swedes, and the Dane will not take it personally.

He or she will hear you out and polite-ly tell you you are full of road apples. The lunch over which this conversa-tion takes place is almost always the same: herring on rye bread with a shot of aquavit, followed by fried fish and a slice of roast pork with a hard salty rind and a glass of beer, then a slice of hlue cheese and coffee.

This sense of order is what makes freedom possible. There are 11 political parties in Denmark because there is only one way to eat lunch. You don't eat at your desk or as you drive, you don't walk down the street munching a hot dog. You eat at a table with a napkin and a knife and fork and candle.

This gives you the freedom to be a Marxist, if you wish. Go ahead, Be as radical as you like. Your old aunts will still love you. But even as a Marxist, you have got to remember to send them a card on their hirthdays.

Danes can be offended by oeglect, by

tardiness, by selfishness, but they are nev-er personally offended by anything you say, so long as it's not about the queen.
You should not say bad things about her.
There are, after all, limits.

If there weren't limits to freedom. how would we know how free we are?

The writer is host of "American Radio Company" and author of "Lake Wobegon Days." He contributed this comment to The New York Times.

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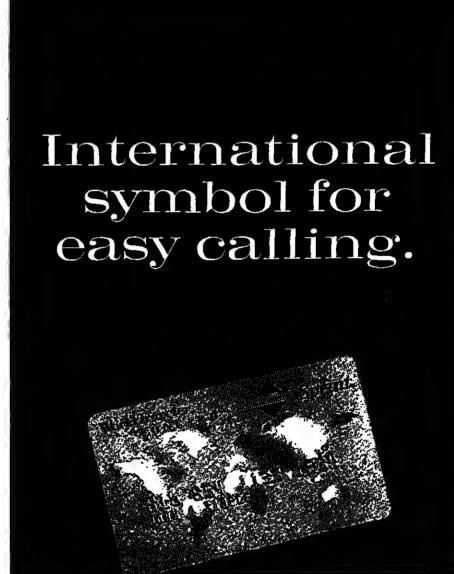
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### Hometown to Bury Marcos as a Hero

By William Branigin Washington Past Service

6 LAOAG, Philippines - Seven years ago, Ferdinand E. Marcos was forced to flee for his life from his presidential palace in Manila as the "people power" uprising in the Philippines ended a 20-year rule marked

1. On Monday, the body of the man who died in exile in 1989 — and entered the Guinness Book of World Records as the planet's biggest thief was on its way home for a long-delayed funeral and a hero's welcome from thousands of faithful supporters in his native province.

After having lain in a refrigerated, glass-topped coffin inside an air-conditioned crypt in Hawaii for four years, the corpse is to be kept in a sealed casket for a series of rituals and ceremonies here before being installed in a special mausoleum in his hometown of Batac. There, according to his family, the remaios of the former president are

to be put on display in a glass coffin resembling a large aquarium. The bizarre and somewhat macabre homecoming is intended by the Marcos family to be a symbol of reconciliation between supporters of the former autocrat and those who deposed him in 1986, including the ourrent president, Fidel V. Ramos.

"I'm asking the Filipino people to pray for a miracle, that President Ramos takes this occasion to unite with his cousin," said Mr. Marcos's flamboyant widow, Imelda R. Marcos, as she left a meeting at the governor's office in this northern province of Ilocos Norte. Mr. Ramos, a former general who helped Corazon C. Aquino oust Mr. Marcos, is a second cousin of Mr. Marcos, under whom he rose to acting

armed forces chief of staff. He was elected president to succeed Mrs.

Aquino last year. She and her supporters hold Mr. Marcos responsible for the 1983 assassination of her busband, the opposition leader Benigno S. Aquino Jr., and for plunging the country into poverty and debt during what critics called a 20-year "kleptocracy." marked by the systematic plunder-ing of the national treasury. The Guinness book says that the Marcoses siphoned off more than \$5 billion.



lmelda Marcos inspecting photographs of her late husband, Ferdinand E. Marcos, in the Marcos Museum in Batac, his hometown. The museum is next to the mausoleum where he will be buried.

### Korean Nuclear Talks Stalled North Puts Conditions on Meeting the South

SEOUL - South Korea's hopes

of resuming talks with North Korea on nuclear issues faded Monday when Pyongyang rejected the timetable proposed by Seoul.

"North Korea has turned down our offer to hold talks tomorrow," a spokesman at the South-North Dialogue Office said. "Instead. they said they wanted to talk later in the week."

"But the North looks as if it is starting to attach conditions to the

of North Korea, in a letter to his Beating to a Suicide South Korean counterpart, Hwang In Sung, urged the South to accept a list of proposals before any border meeting and suggested an alterhas ordered B prefectural governnative date of Friday for talks.

hearsal for invasion.

tions last week. Signaling its willingness to meet cion that it is trying to build o at the border village of Panmun-bomb.

jorn, Seoul responded by offering to be there on Tuesday.

talks again," be added.
Prime Minister Kang Song San

Japan Court Won't Link

Agence France-Presse

ment to pay compensation to the One of the main issues at stake is parents of a high school student the North's insistence that the who killed herself after being beat-South cancel an annual military en by a teacher, but denied the exercise with the United States, beating prompted the suicide, a which Pyongyang insists is a re-court spokesman said Monday.

A court in Gifu Prefecture or-"North Korea seems not to have dered the government to pay 3 mil-changed," a North Korea expert in Seoul said. "It is attaching conditions and compared to be according to the second said of the second said." It is attaching conditions and compared to be according to the second said in 1995 at 17 and out of the second said in 1995 at 1895 at 1895 at 1895 at 1895 a tions and seems not to be serious cide in 1985 at 17 a day after a shout holding talks." Pyongyang, which has refused saying: "I don't want to be beaten begotiations with Seoul since South any more."

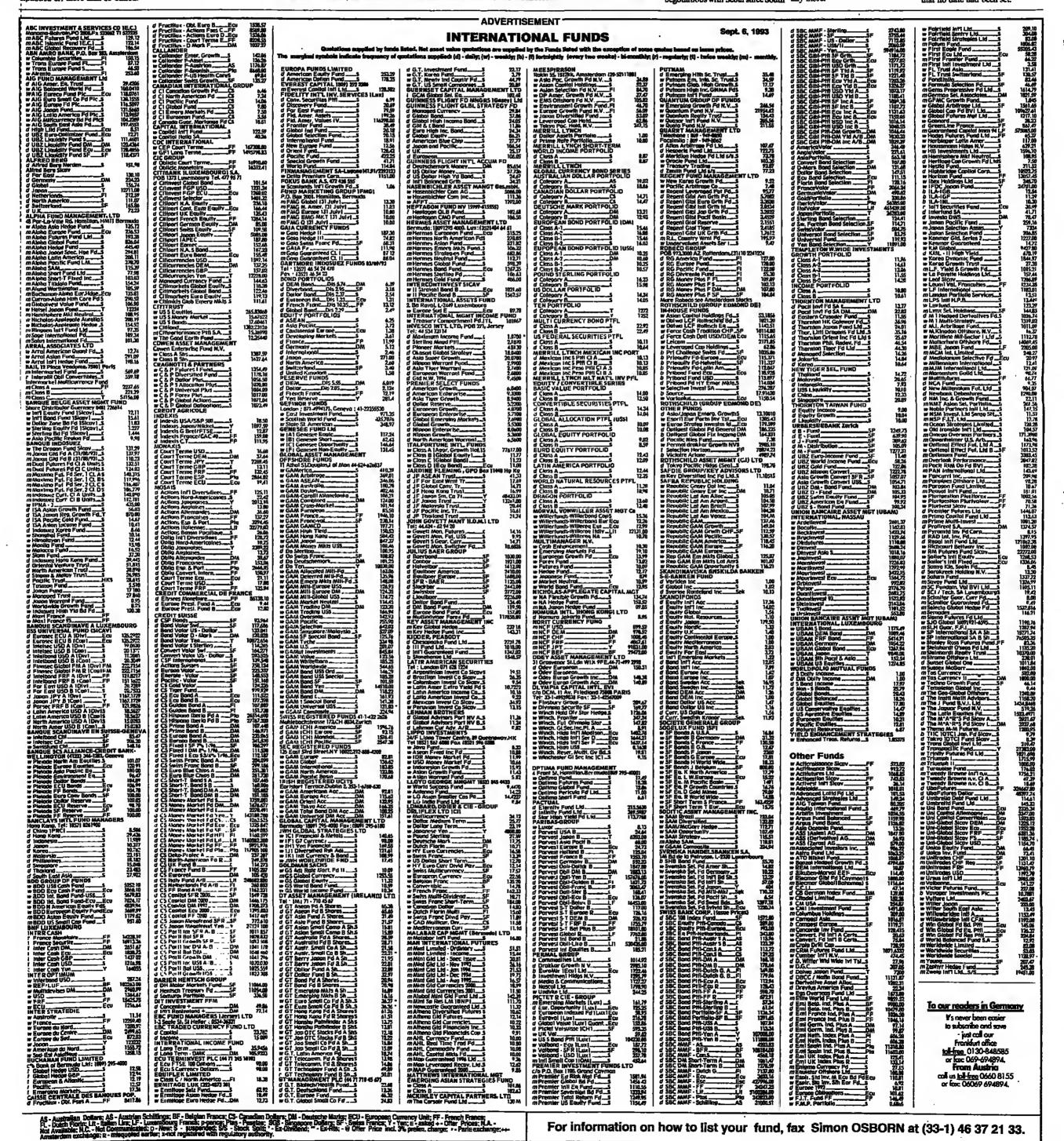
Korean-U.S. exercises this spring, indicated a slight warming of rela-international inspection of two nuclear installations, fanning suspi-

North Korea announced abruptly in March it would withdraw The South Korean prime minis-ter said last week that Seoul was Treaty, accusing the loternotional hoping to discuss an exchange of special envoys to help resolve a spy on its military installations. bitter dispute over ouclear inspecthreatened withdrawal after talks

with the United States. In exchange, Washington tentatively agreed to provide aid to help the North convert its graphite-core nuclear reactors, which can be adapted for military use, into light-

water reactors. But Washington insists that aid depends on North Korea re-establishing a dialogue with the South.

■ Vienna Talks Are Stalled The latest talks between the International Atomic Energy Agency and North Korea on resuming nuclear site inspections have ended without agreement. Agence France-Presse reported from Vienna, quoting an agency spokesman. The spokesman said the agency was ready to continue talks, but that no date had been set.



عكذا من الأصل

### MIDEAST TALKS / WASHINGTON'S WORRY

### U.S. Worries That Deal Will Not Go Far Unless Assad Can Be Brought In

By Thomas L. Friedman New York Times Service

WASHINGTON - Although the peace accord between Israel and the Palestinians appears to be moving ahead. American officials are worried that progress on this track cannot be sustained for long unless there is a breakthrough soon on the Syrian-Israeli track as well.

American officials say Syria is now their main preoccupation and main dilemma, as they try to promote the breakthrough for peace in the Middle East. They put it like this: If the Israelis don't offer the Syrians enough to bring them into serious negotiations over the Golan Heights, President Hafez Assad will almost certainly use his influence in the region and among the Palestinians to make life very difficult for Yasser Arafat.

Mr. Assad always believed that it was his birthright to play the Palestinian card in any peace talks with Israel. and although he has chosen for the moment not to block Mr. Arafat, he can use his Palestinian surrogates to do so any time he feels that he is being ignored.

But, U.S. and Israeli officials say, if the Syrians are brought in too quickly with an enticing Israeli offer to

of installing Mr. Arafat in Jericho and Mr. Assad on the ready to give Syria? Golan, all at the same time.

but without pushing too hard too quickly so that the to maintain security in those areas, it will give Mr. Rabin a Rabin government feels it has to ask the Israeli public to much stronger political base at home to sell a withdrawal withdraw on two fronts in one week.

This explains the recent reports out of Israel suggesting that the Israeli government was prepared to grant the Syrians sovereignty over the Golan Heights, which were occupied by Israel during the 1967 war. Both U.S. and Israeli diplomats say those reports were premature and do not reflect the immediate intentions of the Rabin government, but their leak to the media is just the sort of carrot they bope will keep Syria at least neutral on the Israeli-

withdraw from all or most of the Golan Heights, it could overload the circuits in Israel, as the fragile Labor government could find it very difficult to sell Israelis on the idea ready to give Israel, and how much land is Israel really

Golan, all at the same time.

A senior Israeli official said that Mr. Rabin's real flexibility in dealing with Syria would depend in part on ing act with the Syrians, trying to create the impression, as well as the reality, that the two sides are narrowing differences on the Golan, in order to satisfy Mr. Assad, and Jericho goes relatively smoothly, and the PLO is able but without pushing too hard too guickly so that the on the Golan Heights to a still dubious Israeli public.

But even if the oegotiations with the PLO collapse, Mr. Rabin will have an incentive to try to move ahead with Mr. Assad, says the Israeli official, since the raison d'être of the Rabin government is that it can bring peace with the Arabs; what Mr. Rabin can't get from Mr. Arafat he will try to get from Mr. Assad. The question is, will the Syrian leader wait that long?

The first foreign leader that the U.S. secretary of state,

Warren M. Christopher, telephoned after Foreign Minis-ter Shimon Peres of Israel informed him of the deal with

So far this policy, coupled with pressures from Egypt and a visit to Damascus by Mr. Arafat, has been enough at least to keep the Syrians from standing in the way of a Palestinian-Israeli deal. Some Israeli officials believe that the best thing they have going for them now with Mr.

Assad is his considerable diplomatic ego. They believe that the Syrian leader is so used to being at the center stage of the recommendation of t PLO go ahead with the Israelis — just so that he won't appear to be following in Mr. Arafat's footsteps.

"Assad would never want to be seen as following
Arafat," an Israeli official said. "When he moves he wants

At the same time. to be the focus of all attention. It gives us some flexibility on the timetable with him."

Assad mutual paranois for the past few months. When sination, Just a little reminder from Damascus that all of Mr. Christopher went to the Middle East in August he its options are still open.

the PLO almost two weeks ago was Foreign Minister rarouk Shara of Syria. President Bill Clinton followed up with a letter to the Syrian president, and there have been dozens of lower-level contacts since.

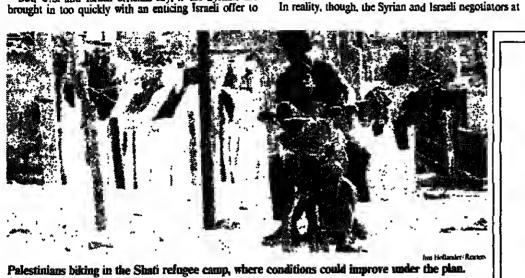
visited Damascus, then Israel, and then deliberately back to Damascus to see Mr. Assad a second time — even though he had nothing more to say — just to provoke Mr. Arafat into thinking that the Syrians and the israelis were cooking somethiog up and that he had better get moving.

It was Mr. Arafat's nervousness over just such a deal that

contributed to his own burch forward with the Israelis. " When Mr. Assad moves, American officials expect he

of the peace process, so used to everyone following after
him, that for the moment be will let Mr. Arafat and the
have praised largel for its "seriousness" in the peace talks, and President Assad has said it is for the Palestinians to decide their own fate - not exactly a ringing endorsement of the deal with Israel but enough for Mr. Arafat to

At the same time, though, Ahmed Jebril of the Syrian-controlled Popular Front for the Liberation of Palestine-American officials have been playing off the Arafat- General Command has threatened Mr. Arafat with assas-



### One Nation, 2 World Views

#### In Israeli Debate, Central Questions Are About Power

By David Hoffman

Washington Post Service JERUSALEM - Twenty-five years after conquering the West Bank and Gaza Strip in the 1967 war. Israel is being torn between two diametrically opposed world views as a oational debate erupts on the peace agreement to transfer the captured territories to Palestinian control.

One view, articulated by Prime Minister Yitzhak Rabin, holds that Israel has learned the limits of power over the last quarter-century and is strong enough to make concessions, giving Palestinians control over the lands, even if the price is making peace with an enemy such as Yasser Arafat, chair-

man of the Palestine Liberation Organization. The other view, a legacy of the Likud leaders Menachem Begin and Yitzhak Shamir but articulated now by Benjamin Netanyabu, is that Israel remains vulnerable to annihilation, and only a firm grasp on all the lands captured in 1967 will protect the country from a new rain of rockets on its civilian cities, or a new wave of violence against

Jewish settlements. On bumper stickers and radio talk shows, in mass rallies and in the parliament, these two potent arguments are tugging at the Israeli conscious-ness. The outcome of the debate could provide an important clue to whether Israel is prepared to make further concessions for peace agreements with its enemies, or whether it remains seized by a

sense of its own vulnerability.

Mr. Rabin, chief of staff in the 1967 war, speaking to Labor members of parliament last week, reproached critics who warned of a military threat from Palestinian self-rule to Gaza and Jericho. The Palestinians, he said, are not an existential threat to the state, and critics who say otherwise are

"insulting the army." "This is the proud, self-disciplined, risk-taking Israeli," said Yaron Ezrahi, one of Israel's leading political scientists. Mr. Rabin, he added, is a reflection of a world view that "we are confident enough in ourselves, we feel sufficiently at home in this region, to deal with the problems and the people

Mr. Ezrahi said the decisioo to initial the docu-ment in Norway on Aug. 20 that would transfer authority swiftly for Gaza and Jericho to the Palestinians was the culmination of "25 years of an increasingly sobering realization on the part of Israelis of the limits of power, and of the reality of the Palestinian nation in our midst."

After the euphoria that followed the spectacular 1967 victory. Mr. Ezrahi said, the 1973 Arab-Israeli war "was the first blow to the myth of Israeli invincibility.

"The Lebanese War showed the Israeli public will not back a government which uses Israeli military force for goals beyond the most strictly defined necessity of defense. And the intifada demonstrated the reality of a Palestinian nation."

The 1991 Gulf War, too, "was a psychological trauma," he said. "What you see is a gradual but

decisive process of realizing the limits of power."

"After the Gulf War we had a process of profound transformation in Israel, discrediting mili-

tary measures and a decisive shift to diplomacy."

Mr. Ezrahi added: "The deepest urge of Israelis is to test the road that leads to stability and coexistence, to test it under the leadership of the prime minister who actually delivered these territones in 1967. Rabin is almost the only person who can do that. He is Mr. Security."

The man understands that security does not live by controlling the territories," he said.
For more than 15 years, Mr. Begin and Mr.

Shamir and their supporters pushed hard to secure Israel's claim to the West Bank, saying it was vital to security and fulfilling a Biblical claim to the lands. Some messianic Jews said the territories were part of a "Greater Israel" of which not an inch could be relinquished.

But since taking office last year, Mr. Rabin has gradually tried to erode the legitimacy of the Jew-ish settlers in the territories. He criticized "political" settlements in the West Bank, cut government subsidies and construction there, and this year imposed a highly popular closure of the territories, which underscored the desire of many Israelis to be apart from them altogether.

The new peace agreement was the latest and most powerful move away from the earlier Likud ideology. For the first time, Istael reached a tentative agreement to begin transferring control for some of these captured lands to the Palestinians. Ironically, the underlying basis for the agreement was the Camp David accord of 1979, which Mr. Begin had negotiated. He had originally advanced the idea of limited "autonomy" for Pales-

But the new agreement, with an accelerated metable for Israeli withdrawal from Gaza and Jericho, and wider Palestinian jurisdiction, as well as acknowledgment of the Palestine Liberation Organization as a partner, took the rightists totally by surprise. Bob Lang, a spokesman for the Jewish settlers, said it was the "atom bomb" of announcements, which would have "the greatest impact on

the country since the 1967 war. Mr. Netanyahu, who was a spokesman for the Shamir government during the Gulf War, has scrambled in recent days to launch a counterattack, sharply criticizing the accord as a danger to Israeli security. But the right has appeared to be shell-shocked and in disarray. One reason is that many hard-liners have also called for Israel to pull out of Gaza, a position that is highly popular in

Israel and is central to Mr. Rabin's plan.

One of the problems of the national camp is they have oever come out with a clear, coherent peace plan," said Mr. Lang. "They have said no, no no but what do you say yes to? We're not really sure. People want to hear yes — they want peace.

Mr. Netanyahu, in an interview, described the world view of Israel as a still vulnerable nation that he said would be jeopardized by a Palestinian state. Israel, he said, is imperiled by moving from a position of relative strength to a position of

extreme vulnerability." By capturing the West Bank, Mr. Netanyahu said, Israel made itself "impregnable" to attack from the East, and persuaded Arab states to come to the peace talks. But now, he added, "the government is going to hand off, going to give up the very real estate that has made this movement toward peace possible." He said the PLO would conclude that "it is just a matter of time before this reduced. truncated and dwarfed Israel can be done away with altogether

Mr. Arafat will establish a Palestinian state, be predicted, and then topple the monarchy of King Hussein, creating a Palestinian nation four omes larger than Israel. After that, he warned, "you have to assume the high ground of the West Bank could be flooded by PLO lighters holding hand-held rockets that could neutralize a good portion of the

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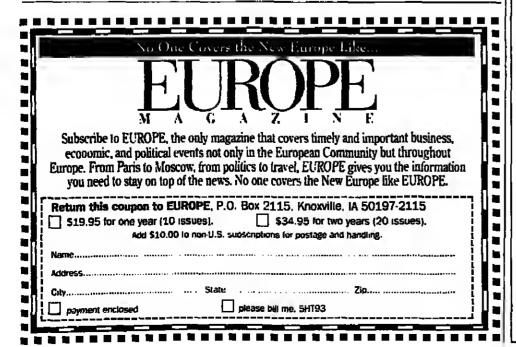
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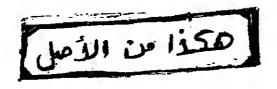
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By Suzy Menkes International Herald Tribune

grazes the knee. The suit is classic - something your mother or your grand-mother might wear. We are looking at the fall fushion windows at Chanel, whose buttock-skimming bemlines on leggy supermodels caused a ruction just six weeks ago in July. Short is back!" screamed the

headlines after the couture show-ings, which contradicted the mid-calf lengths predicted by the selfwear linea, shown in March.

The only thing that seems certain about current fashion is its confusion. Magazines, which went in press before Karl Lagerfeld took his scissors to the Chand skirts, are desperately trying to cover both knees and options, with photographs of long skirts and a last-

Henri Bendel's president, has said the store will promote only short to the long and layered hippie look. cult of the heavy since and platform. Even the cast is the same. In the soles in London's Camden area a which design and the sack and raffia sandals. Its designmidi, which flopped. Now ers are also doing the Dr. Martens
WWD, having pushed long last
year, is irrumpeting the short skirt's

Among the French designers,

or skirts are swapped for pants.

ual taste, are ignoring the hemline issue. Joseph Ettedgui, who opens a

When something looks good long. it's great — it's a question of uming and occasion." he says. "I'm always debating. In spring, I like to start with long and fluid, but then with Azzedine [Alaīa] short is says and long deeps' under a well to be described as the content and long deeps' under a well to be described. and long doesn't work so well. It is had the dress of the season: an more about the spirit of the per-

The spurious dehate about hemines sells intelligent women short. Only the most insecure consumer is incapable of choosing a look that suits her limbs and her lifestyle. Some older women may cling to silhouette," said Corinne Cobson. short hemlines because they believe showing fluid knits and pale crepe them youthful. But there is no de-nying the change sweeping through blue. "Fashion is in mutation. nying the change sweeping through fashion, where the issue is not so much length, as a softening and is becoming more intellectual and blurring of the silhouette.

The fall season coincides with the first shoots of spring: the wom-en's prêt-à-porter and the men's SEHM (Salon International de SEHM, is that l'Habillement Masculin), held simultaneously last weekend at the Porte de Versailles exhibition cen-

For both sexes, but especially for strong feeling for ecology in natural yarns and straw-beige colors. In retreat are tight stretchy clothes, gaudy scarf prints, firmly tailored jackets and short hemlines. To the fore are fluid long dresses, lacy knits, cardigans and tunics layered

Both exhibitions now have sec- sees future growth.

opposed to on the runways, hem-lines often hover in the middle — SEHM, the British dominate the a-porter show, the "Atmosphere" American designers and stores are especially enthusiastic about section also has many British deshort (Uptown ladies bought only a token long skirt). Oscar de la Renta's Balmain couture hiked signers. Sara Sturgeon, describing her collection as "long with interest, and lots of pants" showed hemlines: Bloomingdale's has backed short; and Susan Falk. apron-wrap dresses, some cut allin-one with pants. John Rocha, a Chinese designer working out of Ireland, had knitwear, crochet and linen in natural colors and hand-It is all terribly reminiscent of crochet with Celuc symbols. Red or the move from the 1960s miniskirt Dead, whose footwear started the 1970s. Women's Wear Daily decade ago, had rough-woven hop-

frena Gregori, who has opened a Significantly, smaller retailers new boutique on Rue du Bac, had with a clear eye and strong indiviofluid dresses in viscose. The same material in knit, used in different issue. Joseph Ettedgui, who opens a new Joseph store on Avenue Montaigne next month, says he believes in choice.

Table 1 in Knit, used in different densities according to the area of the body, was used by the Marint Chanet team to give a subtle twist to transparent. to transparency — not much on show this season. Bucking the beige

> apron style that wrapped round in various ways. As with so much of the new fashion, you bring a good body and make how to wear the clothes a personal choice.

> which it hasn't been for 20 years. It spiritual."

> The problem for the stores is to knits, at least, are selling.

Gérard Roudine, who heads the Fedération Française du Prêt-à-Porter Feminin, is bullish about the French fashion industry, although women, there is a rush toward knit-wear, which offers softness in a lon opened showed that sales were wearable way. There is also a down 1.1 percent for the first three months of 1993 from the previous year. Exports dropped 2.6 percent between April 1992 and March 1993. But the marked decrease in sales of French fashion to the United States (down 14 percent) was balanced by a 23 percent rise in Southeast Asia, where Roudine



Oscar de la Renta's long hems for Balmain's fall/winter

emnity, the upscale designers are working with the ready-to-wear federation, which will have an exhibit in the Tuileries gardens dur-ing the October fashinn season. young shortened the designers' Paris fashion used to be about strong design dictates; its strength is now rather the complexity and variety of what is on offer, skirt lengths included.

The last word on the Great Hemline Debate should go to Kennedy Fraser, former fashion critic of The New Yorker. it: "Plus ca change, plus c'est la

feet to their skirts," she wrote in 1970. "In fact, those who have worn the miniskirt have long been skirts and began to turn elsewhere. They rummaged in another generation's castoff clothes, and sought out ruffles, shawls and fringe. They took emancipation . . . for grant-ed, and preferred the costume of romance and jokes, and drama." As the French so succincily put

WINATIONAL S for burer- Je Prile Summer.

ATRIB INDEX

Sara Sturgeon's long fluid dress for summer 1994

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Karl Lagerfeld's micromini skirt for Chanel



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### Women's Work: The Exhibition

cept of "women's work" and the tools used to accomplish it.

If you checked all of the above, the late 19th century to the present, while for good measure adding the familiar (d) "never done," you would come close to encompassing the themes of "Mechanical Brides: jects and the sheer energy of their Women and Machines From Home to Office," an exhibition now on view here at the Cooper-Hewin Museum through Jan. 2. Forthrightly feminist in its preoccupations, the exhibition is at once provocative and predictable, preachy and percipient. It's a husy collage of me-chanical implements — the featured

EW YORK - Women's machines and typewriters - shown work is: (a) underval- in the context of the advertisements ued; (b) underpaid: (c) intended not only to sell them but to defined by the very con- transform them into objects of desire, social liberation and uplift.

The exhibition purports to cover and it does so in a cursory way. But the chronological heart of the show, measured in number of obmost Americans aspired," and when manufacturers and their advertising agencies perfected the pitch equating appliances with the standard image of domestic bliss. - "the white, middle-class fami-

three and a half hours at a stretch, he is not only silent, but utterly still

Almost all of the poses Speller adopted were difficult, setting up (at least for the beginning artist) damning problems of perspective

and foreshortening. One pose

found Speller spread-eagled on the dais, his legs stretched uncomfort-ably apart, his torso and head

twisted to face behind him Lean-

ing on his left elbow to avoid top-

pling over, he kept his right arm raised above his head. He also kept

perfectly still. Sketching furiously.

the artists had only enough time to

capture a gesture, a sense of move-

ment. Then an electronic timer

chirruped, and Speller quickly

moved into a new pose, rearranging his limbs with the practiced ease of

There is a narrative to a life-

modeling session. It begins with youthful athleticism as the model

come longer, more cautious, stiffer.

a contortionist.

minute or two.

and employed fathers." The pervasiveness of this ideal

now seems astonishing. The picture is repeated in here in almost countless variation — the mom, or wife or possibly future bride going about her designated labor with idealized. not to say mindless, contentment Conceptually, this is lamiliar, politically correct territory, the feminist version of the postwar consumer economy. And, as far as it goes in this exhibition, the interpretation is insightful and, mostly, correct.

What is Iresh, in a museological sense, is the direct linking of au-thenuc objects with their period ideological context, with the omnipresent messages telling which of this work,"

four are telephones, trons, washing by . . . of stay-at-home mothers tasks which gender is supposed to perform - and with which tools in order to pursue happiness. American style.

> The show's final section demonstrates how the concept of "women's work" followed females as they entered the white-collar work force in increasing numbers.

The moral point is that negative valuation of "women's work" — the kind of labor everybody wants somebody else to do - should have no place in the American equation. It's as Elien Lupton, the curator who conceived and organized the show, said in a short video presentation: "What we want to do in this exhibition is to celebrate the value

#### STYLE MAKERS

**Artists' Models** 

UNSUNG, UNDERPAID

N A WORLD overrun by role models and supermodels, life models - men and women who pose in the nude for artists - seem archaic, relics of a bygone age when art students isbored amid skeletons and anatomical charts, learning to draw the hu-man body as painstakingly as medical students learn to dissect it.

New York Times Service

Then, as now, life models were unsung and underpaid. The going rate today is \$8 to \$10 an hour. Nonetheless, like waiters, these models are something New York never runs out of. The Art Students League alone turns away 25 to 30 applicants a month.

Although the job is fundamentally humble and anonymous, many people find it rewarding.

One such person is Robert Speller, one of New York's leading male life models. Both as a model and as the model coordinator for the Par-sons School of Design and the New School, he has been at the center of New York's life-modeling world for 25 years.

A short handsome man who

NEW FALL WINTER COLLECTION ESCADA'

FAX: (1) 42 84 24 15 Sale on Summer Collection Marie-Martine 8, rue de Sèvres,

seems always to be in motion, the artists, he has become some-Speller, who is in his early 50s, is thing fixed and knowable. almost compulsively loquacious.

Speller, who was born into an Yet several times a week, for up to artistic family, was a child performartistic family, was a child perform-er and attributes his success as a model to his training as a dancer and choreographer. But he warned that modeling "is the very worst thing for a dancer."

The body is meant to move; it's

as well, posing in the nude for groups of artists around the city. On a recent evening at the Salmagundi Chib, an arts club in Greenwich Village, Speller posed for about 20 artists. Like most lifemeant to be fluid," he said. "But when you model, you freeze the body; you stop the natural flow." modeling sessions, this one began with short poses, bold, action-ori-ented poses of the sort that might put the model in the hospital if he had to hold them for more than a For those who model too much, the results can include pinched nerves, numboess and spinal injuries.

At its best, he said, a life-drawing session is like "improvisational theater, where the model is the per-former and the artists are the par-

INCE 1972, Speller has earned his living by book-ing models for classes. He is popular among the models and over the years he has dealt with thousands of them, in- canvas and began a painting of her. cluding Madonna, then an unknown, for whom he found work at take months to complete the paint-Parsons in 1979. He is also known for his generosity, taking care of models when they are sick and jug-gling schedules for them when they are broke.

One of the models who started just took out a canvas and started a with Speller is Alexandra Rheault. new one." With a face that might have been created by an Art Deco Modigliani, and a body whose bold curves and abrupt angles combine in startling 40s, Jurinek, 100, is a painter as well rings bravura changes on a single theme — the body — while the artists struggle to keep up. Then comes middle age: the poses because middle age: the poses b

Her pleasure in her work is infecmodel, grow familiar with his man-edge of a stool, head forward, urns necessary, his features. Finally there flung back, like an Olympic swimis old age, when the poses reach mer poised to dive at the start of a maximum length and the model race, is enough to dispel for good hardly seems to move at all: He has any nation that life modeling is an been transformed into a statue. For antiquated profession,

Rheault said modeling was far more demanding physically than people might think. "ft's very isometric exercise, and you do work up a sweat, "she said. "People think you're just sitting there, but you're really working your muscles and you can feel it."

If there is a pinnacle of a life model's career, it is probably to work for a lamous artist. Most models, no matter how many times they are painted sculptured or drawn, will never have the satisfaction of seeing their images in the pages of a book or on the walls of a

One model who has been lucky enough to do so is Jerilyn Jurinek. In 1972, when she was in her 20s. she was asked to pose for the figurative painter Philip Pearlstein.

When she first went to his studio on West 88th Street, she had no idea that she was going to be spending more than a day there. Saying very little. Pearlstein took out a

CUP

"I didn't know that Philip would ing," Jurinek said, "and I kept waiting for the thing to end. I as-Sumed that when the painting was done the job would be over. But when the painting was finished, he

Jurinek ended up modeling for Pearlstein for 10 years.

A pale, thoughtful woman in her

The artists begin to master the tious. To see her crouched on the things together in a noncompetitive It's very hard for artists to do atmosphere," she said. "Modeling is a way of doing that, It feels meaningful. It feels like useful

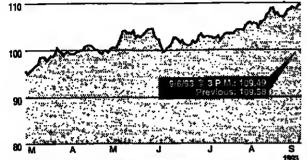
Brendan Bernhard

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International Herald Tribune, Tuesday, September 7, 1993



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### China's Trains Fail to Keep Pace Stockpiled Coal Burns as Coastal Economy Sizzles and management systems in the future, and coastal provinces starved for raw materials

By Kevin Murphy International Herald Tribung

GUANGZHOU - Power stations in China's booming coastal provinces often run short of fuel while, further inland, coal piles self-ignite during long waits for overdue freight trains, a sure sign that the country's railway system cannot keep up with its rapid economic growth.

Such frustrations have driven party cadres to tears (literally) and prodded planners to consider money-raising tactics from naming trains after noodle brands to offering equity

in new projects to foreign investors.

With more track to lay than yuan in the bank, China's railway planners are searching to raise funds in new ways. They need to loosen bottlenecks that cost up to 20 billion yuan (\$3.47 billion) in lost production last year and that are likely to worsen. But unless greater profitability becomes part of the pitch, according to foreign bankers and Guangzhou Railway Group Corp., overseers of railway operations throughout Hainan, Guangdong and Hunan provinces, overseas fundaments of the provinces of the provi funds will back other infrastructure areas

"We greatly lack capital," said Zhang Ziwei, planning chief at Guangzhou Railway Group, which plans to construct more than 1,000 kilometers (620 miles) of railways in the three provinces and upgrade an additional 1,700 kilometers into advanced electrified lines within seven years.

The central government has examined the problem and given us some flexibility to tries.

attract private investment," said Mr. Zhang.

"There will be very large changes in prices erbated by runaway economic growth in

BELING -- China announced

on Monday measures aimed at

curbing soaring investment in fixed

assets, the main cause of inflation

National newspapers published an order from the State Council

listing seven measures to better reg-

ulate investment in fixed assets and

try to ensure that money is spent

Such investment soared by 70

percent in the first seven months of

1993, driving up prices of raw ma-

terials and helping to keep the ur-

where the government wants it.

and instability in the economy.

"If they do what they say, we'll be very interested in talking to them," said the Hong Kong based head of an international engineering company. "But we bave serious questions about the risk and rate of return on such projects. Can they generate the foreign ex-change to make it worth our while to get

China's masses and three quarters of its freight travel by rail on a heavily subsidized

One tactic to raise expansion funds is to name trains for advertisers.

system consistently failing to meet demands imposed by economic growth that hit 14 percent in the first half of 1993.

According to a recent World Bank study, Beijing invested only I.4 percent of its gross domestic product in transport services from 1981 to 1990, during China's sixth and seventh five-year plans. This compared with an average of 2.5 per-

cent to 2.8 percent in other developing coun-tries and up to 4 percent in industrial coun-

China Makes New Bid to Curb Inflation

The State Council ordered all lo-duction of raw materials.

ban inflation rate in July at 23.3 such as agriculture, transport, tele-

Projects without necessary capi- will not lend to real estate projects

tal, that do not match national poli- that do not have official approval.

villas, must be rigorously reas- price freezes on commodities and

It said that funds, including for- the remainder of the year, the Chi-

eign loans and those saved from na Daily reported on Monday. suspended projects, must be con-

centrated on priority state projects governments to prevent prices for

China's lack of investment has been exac-

we are interested in offering equity in new and coal for energy production.

Last year, Railways Minister Li Semmao

said the entire rail system was capable of supplying only 60 percent of China's cargoshipping needs. The situation has deteriorated since then. Upcountry raw material stockpiles reach

Himalayan proportions, yet some factories

on the coast prefer to import their requirements to guarantee regular delivery. Passenger trains are regularly double-booked with newly wealtby travellers and peasants streaming into boom areas looking for work. During its eighth five-year plan, China aims to build 6,600 kilometers of new line, double-track a further 4,100 kilometers and electrify 5,600 kilometers. It also plans high-speed rail lines and wants to upgrade rolling stock, communications and freight manage-

With funds increasingly scarce. China's railway administrators have been forced to become as entreprenuerial as the roving

gangs of thieves stealing rails and bolts for sale to mobile "recycling stations," which create further delays and safety problems. A Beijing macaroni maker recently paid the railway administration 500,000 yuan to rename an express train running 1,118 kilo-meters between Beijing and Tan-tung after its flour products, following an example set by the Wuliangye Liquour tourism express running between Chongquing and E'mei Mounsain in Sichsan Province.

Advertising in China is expanding quickly. But planners know selling the naming rights

Trogrami

The measures are the latest in a

series since a 16-point plan un-

veiled in early July by Deputy

Prime Minister Zhu Rongii, who had just taken over as chief of the

central bank, aimed at cooling the

overheated economy

See TRAIN, Page 13

### **A Complex Web** Will Link Volvo **And Renault**

New York Times Service

PARIS - Renault of France and Volvo of Sweden announced Monday that they would merge on Jan. I to form the world's sixth-largest automotive concern, a move to im-

The announcement came as a climax to two years of partnership and the year-earlier period. months of complex negotiations Last weekend, under that concluded Friday. In addition to preparing the companies for the lifting of all re-

strictions on Japanese auto sales inside the European Community in 1999, the combination is aimed at allowing the combination is aimed at European automobile industry. To be known as Renault-Volvo

RVA, the new company will be owned 65 percent by Renault and 35 percent by Volvo until Renault is partly privatized, perhaps as ear-ly as next year. In 1992, the two companies produced a total of 2.45 million vehicles and bad combined sales of around 240 billion francs (\$41.5 billion). The merged companies will mar-

ket cars and other vehicles under the Renault and Volvo brand names, but they will merge research, planning, production and distribution as well as their corporate structures. They predict that this will result in \$5.2 billion worth of savings by the year 2000.

"The engagement was long and well thought out," France's industhat are sold on the free market from soaring.
One provision calls for price contry minister, Gérard Longuet, said Monday, referring to the Renault-Volvo "alliance" that began in trols on all remaining state-con-trolled goods and services, exclud-1991, "And I think it will lead to a ing electricity and railway cargo successful marriage, a genuine mar-

riage of complete cooperation." For Sweden, the marriage is perhaps more painful since Volvo has zer, and Volvo's chairman, Pehr long been a symbol of the country's Gyllenhammar, revolved around industrial prowess. But the merger marks a step in Sweden's gradual economic integration with the Community, which it hopes to join as a

new concern will rank globally af-ter General Motors Corp., Ford Motor Co., Toyota Motor Corp., Nissan Motor Co. and Volkswagen

The new concern's main focus prove their competitive stance will be on the competitive Europeahead of the full opening of the an auto market, where between European market to Japanese cars. January and August this year sales were 16.7 percent below those of

Last weekend, under pressure from European manufacturers, Japan agreed to lower its exports of cars and light trucks to the Com-munity in 1993, this time to 980,000 units, 18.5 percent lower than in 1992. But the EC is already comallowing the two carmakers to mitted to removing controls on weather the recession buffeting the Japanese car sales in Europe from

Renault is one of the few healthy European automakers, recovering from a crisis that prompted a government bailout in 1986 to earn profit of around \$1 billion on revenue of \$26.7 billion in 1992. Volvo, in contrast, showed a loss of \$435 million on revenue of \$10.87 billion last year, although it carned \$5.6 million during the first balf of 1993.

Mr. Longuet presided over Monday's news conference announcing the merger because the French state owns 100 percent of Renault. But be also used the occasion to confirm that Renault was one of 21 privatization by France's conserva-

Asked when this privatization could take place, Mr. Longuet said it would depend on market condi-tions. "It's difficult to imagine it can happen before the second half of 1994," be said.

Much of the negotiation between Renault's chairman, Louis Schweitcreating a corporate structure for the new entity that anticipates Renault's privatization and ensures

See RENAULT, Page 13

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### Foreign Buyers Jolt Spain From Its Summer Siesta

INTERNATIONAL STOCKS

By Ana Westley

New York Times Service ADRID - August is the month when stockbrokers in Spain usually take vacations as most business activity and politics come to a near standstill. Last month, however, traders rusbed back from beaches to cash in on an unprecedented rally as the Madrid stock exchange index set

Spurred by expectations of lower interest rates as well as by

frenzied foreign investment, the Madrid index topped 304 points by the end of August and rose near the 1990 pre-Gulf War level of 312 on several volatile days. The index was just 269.96 at the end

The Madrid index has climbed more than

Despite expected profit-taking, which pushed the index back down to 291.21 on Monday, some analysts have predicted the market may approach its September 1989 record of 328.5 points within a few months. Most analysts favor blue-cbip issues such as banks, construction companies and electric utilities, as well as the state-controlled

petrochemical company, Repsol SA, and the state telephone monopoly, Telefónica de España SA. Since the beginning of the year, the Madrid index has climbed more than 40 percent, surging 12.3 percent in August alone. A record 500 billion pesetas (\$3.7 billion), were traded last month, with 55 billion pesetas traded on Aug. 31.

"This is incredible," gushed Fernando Canales, an official of the Madrid bourse. He noted that trading in August 1992 was less than 160 billion pesetas. "Last year in August, 5 to 7 billion pesetas a day was considered brisk." Mr. Canales said. "Now we are averaging 23

billion pesetas daily. Never mind that Spain's economy is in recession, with the gross domestie product shrinking by I percent during the last year and with corporate profits falling.

"Despite profit-taking, I am convinced we are beginning a new cycle," said Jaime Smith, a trader at Benito y Monjardin. He estimated annual index increases of about 25 percent for the next

Most traders and analysts attribute the euphoria almost entirely to expected cuts in Bank of Spain interest rates, which were sliced a half point Friday, to 10 percent, and to foreign investors who have discovered that Madrid's market, compared with other European markets, is a bargain basement after three currency devaluations Now, the heartless speculators of yore are being hailed as

See MADRID, Page 12

**Cross Rates** 

### The French **Brandish** Farm Veto

a war of nerves over the GATT world trade negotiations on Monday by reviving its threat to veto a farm trade deal between the European Community and the United States unless it obtained better terms.

It was the first time for months that Paris had talked of a possible veto, apparently to increase pressure on Ger-many to accept French demands for a revision of the socalled Blair House accord that would slash subsidized agri-

cultural exports.

An official in Prime Minister
Edouard Balladur's office said: "France will not give in out of battle fatigue. If time goes by without results. France will go as far as a veto." Mr. Balladur is to meet the

director-general of the General Agreement on Tariffs and Trade, Peter Sutherland, this week ahead of a crucial meeting of EC farm and foreign minis ters on the issue on Sept. 20.

Officials say an overall GATT pact to liberalize world trade hinges on the U.S.-EC farm accord. Mr. Sutherland has made Dec. 15 the deadline for the seven-year-old Uruguay Round of GATT talks. Last week the GATT chief

said there was not enough time to tamper with the Blair House deal and still finish on time.

### **Mediobanca Plans** Big Rights Issue

MILAN — Mediobanca SpA in Italy's budding privatization announced Monday a 1.02 trillion program. Banks can take stakes of lire (\$640 million) cash call, surprising the Milan stock market and ther directly, or by converting their creating expectations that its share loans into equity, price would suffer. Ever since it was suggested

calities and departments to reassess

all their projects and only go ahead

suspended projects, must be con-

cy or have no elear market, espeit said,
cially high-class hotels, offices and In ac

with those that were efficient.

sessed, the council said.

bank did not say what it would use companies, a rights issue from Me-

free share and the right to buy three new ones at a price of 10,000 lire each. Mediobanca shares elosed Monday at 17,350 lire, down 550

profit in its fiscal year ended June
30 slipped 24 percent, to 200.1 billion lire, from 262.1 billion lire a
year earlier. The bank did not proyear earlier. The bank did not proyear earlier. The bank did not proyear earlier and some debt reschebut it did say writedowns and re-serves for bad loans jumped to 275.2 billion lire from 153.1 billion "With their contacts, I don't lire last year.

The Mediobanca announcement came in a market that had been under pressure all day from talk of a capital increase by Fiat SpA. "The market is edgy, the opera-

tion lonks expensive and we don't ropa SpA, a Milan brokerage.
"If they give some focused explanation about what they want to do

when the market reopens tomor-row, the share need not do too hadly," said Giuseppe Bonini, head of trading at Intersim SpA, a large

Milan brokerage.
Mr. Bonini said the large cash call was probably aimed at building

Compiled by Our Staff From Dispatches reserves so the bank could take part

communications, power and pro-

In principle, no new projects should be approved in the second

balf of the current year, and banks

In addition, China has ordered

services subsidized by the state for

The secretive Italian merchant banks start taking equity stakes in diobanca was on the cards," said The bank will make a rights issue, giving holders of 10 shares one
with Credito Italiano International

Simone Concetti, an analyst at BNL Eurosecurities in Milan said Mediobanca was asking for more funds than would be necessary to Mediobanca also said that its net subscribe to an expected share is profit in its fiscal year ended June sue from Ferruzzi Finanziaria SpA.

think they will have any problems getting it away," said Mr. Concetti. The Milan stock market has recently successfully digested several large share issues, but none as big as Mediobanca is asking for. Over the summer, the SIP SpA telephone company raised 872 billion lire and know what the money is to be used company raised \$72 billion lire and for," said one trader with StM Eu-Olivetti SpA, the computer con-

cern, raised 595 billion lire. Mediobanca is mainly a medium-term lender to industry, but it is best known for its advisory services to Italian companies. Besides Ferruzzi, it is currently working on rescue packages for the financier Salvatore Ligresti's companies and the Aga Khan's Ciga Hotels SpA unit.

(Bloomberg, Reuters)

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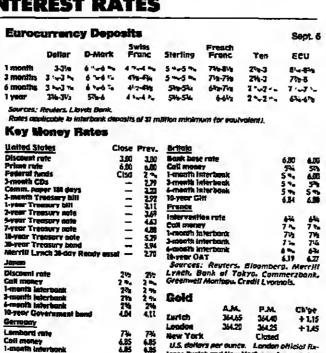
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### Orders Data Are Strong In Germany

BONN - A healthy rise in West German industrial orders in July, reported on Monday, confirmed the economy has started to stabilize after hitting bottom in the second quarter, economists said Some exponemists said the

unexpectedly strong data might give the Bundesbank an additional reason to delay cutting interest rates, at least until the end of this month. But economists said the or-

ders data, which showed a 3.1 percent rise in July from June, had not changed their view that the recovery would be weak and slow. A big reason for this, they said, is that the strength of the Deutsche mark has been

### Ford to Cut 1,400 Jobs In Britain

LONDON - Ford Motor Co. said on Monday it wanted to climinate 1,400 jobs in Britain this year to help it compets in plummeting European car markets.

Of the job cuts, more than 1,200 would be hourly paid positions. About 200 members of salaried also staff will lose their tobs.

Ford of Britain earlier this year completed a program of 2,200 job cuts in its salaried staff and 1,000 of its hourly paid workers.

in Britain, down from a peak of 72,000 in 1980. Although new-car sales in Britain jumped by an unexpectedly

large 17.7 percent, to 440,206, in

August, sales in Western Europe

were down by 20 percent in the first

While Ford's luxury car unit Jaguar contributed heavily to losses in the past two years, the Coventry--based company is now staging a

Today's

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Appears

on Page 3

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### Veba Plans 10,000 Job Cuts

Compiled by Our Staff From Dispatches BONN - Veba AG said on Monday it would cut 10,000 jobs, nearly 10 percent of its workforce, by the end of 1994, producing annual savings of 1.2 billion Deutsche marks (\$743 million) starting in

1995. A company spokesman, Nobert Jaeger, said the cuts - twice the number previously announced would be needed because of weak chemical and petrochemical business caused by recession and cheap exports from Eastern Europe. The job cuts will be carried out mainly through early retirement. Veba's chemicals unit, Hals AG, said it would

cut 3,000 jobs on top of 5,000 cuts already an-

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"The Hills supervisory board has decided to tackle structural measures more decisively," said Mr. Jaeger. The plan is to enter into cooperative agreements to sustain competitiveness in the long-Huls's results had helped to depress Veba's

earnings last year, when net profit fell to 906 million DM from 1.095 billion DM.

At the company's annual shareholders meeting in May, Chief Executive Ulrich Hartmann said "tougher measures" would be needed to "reduce the dramatic losses" in Veba's chemical business. Negotiations are currently being held with several potential partners, Mr. Jaeger said. He de-clined to be more specific. (Bloomberg, Reuters)

### s hourly paid workers. Ford now employs 31,350 people a Britain, down from a peak of BA Chief Says U.S. Blocks USAir Deal

CAIRO — The chairman of Brit-ish Airways PLC said Monday that Washington was blocking its \$750 million deal with USAir Group Inc. by insisting the U.S. and Brit-

ish governments revise an air agreement before the deal is completed.

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British and U.S. transport officials have been involved in intensive

Officials have said the talks were

### Belgium Must Keep Interest Rates High, **Prime Minister Says**

BRUSSELS - Prime Minister ean-Luc Dehaene said Monday that despite recession and high unemployment there was no alternative to the Belgian policy of keep-ing the franc tied to the strongest

currencies in Europe.

Speaking on Belgian radio, Mr.

Dehaene said the government's strong-franc policy was "the only way to assure economic stability." The prime minister said the franc was supported by "positive economic fundamentals," such as low infla-

tion and a trade surplus, so there was no reason it should depreciate. The government's strong-france policy faces opposition because of the high interest rates needed to maintain the franc's exchange rate against the Deutsche mark, Europe's strongest currency. The cen-tral bank's main lending rate, the central rate, was last week lifted to 10.5 percent from 9.5 percent.

Reflecting rising short-term rates, commercial banks on Monday said they would raise the interest rate on overdrafts to 16.5 percent from 14 percent.

Belgian unemployment totaled 14.1 percent of the work force in August up from 13.5 percent in July. Gross domestic product will probably decline by as much as 1.3 percent this year after growing 0.8 percent last year, economists said. The prime minister said the way

to restore strength to the Belgian franc was by getting the economy in shape. He said discussions with employers and unions this month should result in a social pact that would help to make Belgian industry competitive and lead to a reduction in the budget deficit.

The social pact, an idea also being tried in Germany and Spain, is in-tended to cut social-security spending and the cost of labor in Belgium. (Bloomberg, Knight-Ridder)

#### Investor's Europe London Frankfurt Paris FTSE 100 Index CAC 40 DAX 2000 .... 20004 2700 A H J J A S 1800 A'M J. J. A'S MA MJ JA'S Prev. Monday Exchange Index % Change Close Close em CBS Trend -0.16 127.30 127.50 -0.48 Brussels Slock Index 6,762.68 6,795.62 DAX .... 1.910.28 1,925.16 -0.77 Frankfurt 736.02 .743.36 .. -0.88 FAZ 1,361.50 1,371.27 ...-0.71 HEX London Financial Times 30 2,395.80 2,390,80 +0.25 3.059.00 FTSE 100 +0.06 London 3,057.30 Macrio General Index 291,21 ... 296.48 -1.78 1,383,00 -1,95 1,356.00 2,156.09 2,157.96 +0.09 CAC 40 Affaersveerlden 1,524.95 +0.51 1.532.76 441:20 442.22 -0.21 Stock Index 839.00 -1.79 Zurich 585

### could not say when British Airways

nounced by end 1994.

would complete its proposed acquisition of 44 percent of USAir shares.

"The first tranches has gone ahead and we own 24.6 percent of the voting shares," he said. "It's a question of when the second and third tranches will go into effect. Sir Colin Marshall, in Cairo for a and that, it seems, is dependent on conference of the International Air our two governments agreeing a Transport Association, said he timetable for other things."

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talks this year about revising their 1977 air traffic agreement. John MacGregor, the British transport minister, is due to travel to Washington this month for talks with his U.S. counterpart. Transportation Secretary Federico F. Peña.

not directly linked to the deal.

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#### STIMULUS: U.S. Weighs Boost

Continued from Page 1

cy measures might be needed. With nemployment at 6.7 percent, some advisers said they did not think the contingency measures would be necessary, while others said they thought California's 9 percent un-employment rate justified the action now.

According to several officials, California is a focal point of the planning. The state's high unemployment rate is responsible for three- or four-tenths of a percentage point of the national unemployment rate. And, not coinciden-tally, California, with its large number of electoral votes, is the state without which the Democrats cannot bope to win a majority in the 1996 presidential election.

"California is a special case,"

Indeed, both the Bush and the Clinton administrations have used discretionary spending authority to aid California. After the Los Angeles riots, for example, the Bush administration eased the terms for government loans to small busi-

Joseph E. Stiglitz, one of the three members of the Council of Economic Advisers, has been the main aide responsible for laying out the principles of the cootingency plan and coming up with a list of omising actions.

According to several people fa-miliar with the memorandums being circulated, the options being considered include accelerating spending that bas already been au-thorized in the budget, like military procurement, research and operations outlays.

That kind of spending, these people said, could also be targeted, for instance, to step up spending on programs that create jobs faster than others, like highway resurfac-ing rather than highway construc-tion, which would require more

Mr. Reich spoke of using his discretionary authority over some fraction of the federal training funds to expand the programs in California and other states with

high unemployment.
The administration might also ease the rules governing direct government lending and banking regulations. That could spur private sector borrowing or spending. Al-tering tax rules is another option.

Trying to manipulate tax collections has the advantage that they can be used to affect incomes quickly, but the effects are very diffuse. Other measures, like providing temporary breaks that encourage businesses to spend now rather than later, may be effective, but would require congressiona approval.

One option under review, which would also need congressional approval is the widening of an existing capital gains rollover provision for sellers of stock who apply the proceeds to invest in poor urban

But as the planners acknowledged, the potential impact of the possibilities they are considering are overshadowed by the slowing of government spending and by tax increases in the 1994 budget.  Microsoft Inc. said through a spokesman in Brussels that Novell Inc.'s competition complaint with the EC Commission was "meridess." · Spain's current account deficit narrowed to a preliminary 97 billion pesetas (\$713 million) in May from 267 billion a year earlier.

 ACEA, the European Community car industry association, said EC passenger car registrations fell 5.6 percent in August from the previous

Alusuisse-Lonza Holding AG, the aluminum concern, blamed recession and cheap exports from former Soviet republics for a 42 percent drop in

• Société Générale, the French bank, will on Friday cut its consumer

credit rate to between 9 percent and 14 percent, from 11 percent to 15.50

percent, offering the rates even to people who do not have an account.

· Krauss-Maffei AG, a military technology unit of Mannesmann AG,

swung to a net loss of 3.1 million Deutsche marks (\$1.9 million) in the

· Britain's Defense Ministry said overseas orders for British arms this

year had already surpassed the 1992 record of £5.2 hillion (\$7.8 billion).

year, a much smaller drop than in previous months.

first-half net profit to 49 million Swiss francs (\$33 million).

first half of 1993 from a profit of 3.3 million a year earlier,

• France's gross domestic product will grow between 1.3 percent and 1.4 percent in 1994, the government forecast in its draft budget. Reuters, Bloomberg, AFP

#### MADRID: Stock Market Rush

Continued from Page 11

Very briefly:

unrattled investors who brim with confidence. In fact, when the Bank of Spain came out last month with a gloomy economic report that said the recession may have bottomed but Ibere was no sign of a recovery. investors ignored it.

Many gleefully interpreted the report as the official end of recession, even though a recovery may not come until well into 1994. Hopes were boosted by the prospect of September talks with unions and employers to reach a so-called social pact that would freeze wages below the inflation

level, currently at 4.9 percent.
Investors seem to believe government promises of a tight budget proposal this fall aimed at slashing Spain's deficit, which may reach 6.6 percent of GDP this year.

tors correctly believed that Madrid would be next. "Foreigners are actually more

confident than we are," mused Mr. Canales, who reported that American pension and investment funds have been pouring money into Spanish stocks, especially into the seven issues traded on the New York Stock Exchange with American depository, receipts: Telefonica: Empresa Nacional de Electricidad SA, the big state-owned utility; Repsol, and several banks -Banco Central Hispanoamericano SA. Corporación Bancaria de España SA. Banco de Santander SA and Banco Bilbao Vizcaya SA.

Oce of this year's star players has been Corporación Bancaria de España, the state-controlled banking conglomerate. It sold off 25 percent of its equity last May and the shares have soared 63 percent from May through August.

Checred by booming markets in Germany, France and Italy, inves-

Markets Closed All financial markets were closed Monday in the United States for the Labor day holiday.

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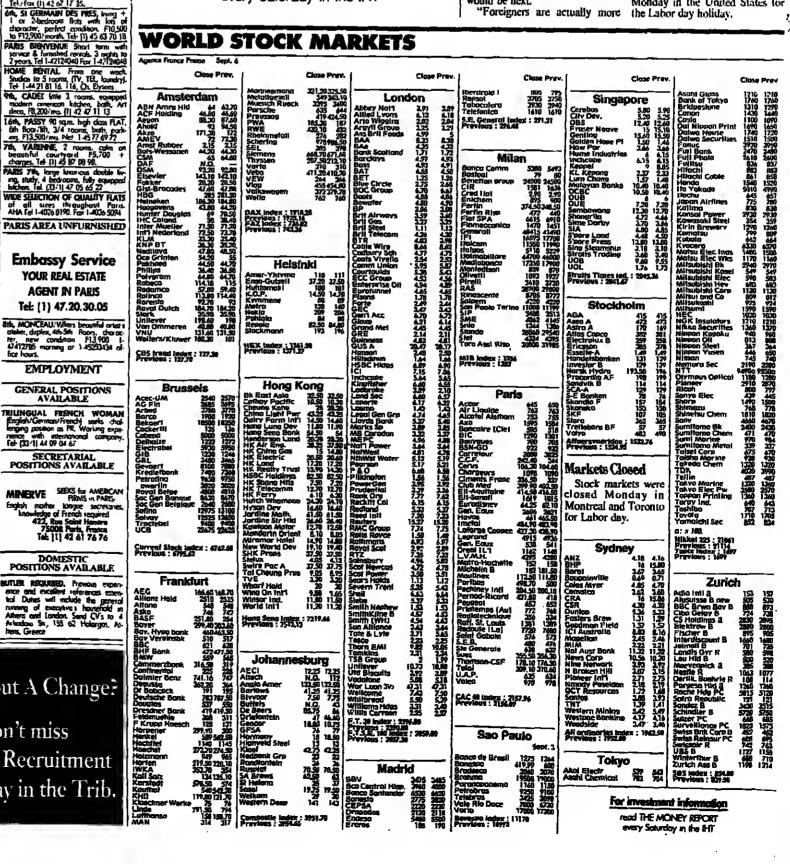
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### **WORLD STOCK MARKETS**



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### Japan's Loss Is South Korea's Gain Yen's Appreciation Against Won Lifts Seoul's Exports

SEOUL - When Japan's Showa Line agreed to order a large ship from Hyundai Heavy Industries Co., executives at the South Korean shipbuilder were caught off guard. For decades, Japanese shipping companies have been faithful customers of Japanese shipbuilders. But that cozy relationship is being upended by the scaring yen and growing price-competitiveness of Korean shipbuilders.

Showa will save more than I billion yen (\$9.5 million) by building the ship in Korea, rather than Japan, according to one company executive who asked oot to be identified. And more orders may be in the offing, he said. Such considerations explain why the Japanese shipbuilding industry might lose its No. I position in the world market to South Korea this year, for the first time in decades, according to analysts. And Korea's ship-

builders are oot the only ones getting a lift from the soaring yen. From autos to computer chips, South Ko-rean exporters are seeing their sales soar, thanks in large part to the 18 percent appreciation of the yen this year against the won. The eurrency shift will improve the nation's ex-port sales by \$3 billion, according to the state-owned Korea Trade Promotion Corp. "South Korea is one country in the world which will benefit most from the strong yen," said Chung Jin-ho, president of Asset Korea, a consulting firm based in Seoul.

That is welcome news for President Kim Young Sam, who has been trying to light a fire under the sluggish economy through financial deregulation and other stimulative measure He is not having an easy time of it. The Samsung Economic Research Institute recently scaled down its forecast for the country's gross domestic product for the year to Decem-

Shipbuilding, car and semiconductor industries are among the beneficiaries.

ber to 4.8 percent growth from 5 percent. The reduction came in response to higher-than-ex-pected inflation and lower corporate earnings.

While the yen's surge will help South Korea make a big dent in its \$8 billion-a-year trade deficit with Japan, the country remains at a competitive disadvantage vis-à-vis many countries in the world.

Last week, the government reported that during the first eight months of this year South Korea registered a trade deficit of \$2.89 bil-lion. That narrowed considerably, however, from \$5.89 billion in the same period last year. Things may improve more, as South Korea's sprawling conglomerates, or chaebols, win business from Japanese rivals. That is certainly true in the shipbuilding industry. During the first seven months of this year, South Korean shipbuilders received orders for more than 6 million gross tons of

ships, about twice that for Japanese ship-builders, according to government figures. Hyundai Heavy Industries' ship prices are 10 percent to 15 percent lower on average than those of Japanese-made ships, said Lee Kwang Ho, a Hyundai Heavy spokesman.

Kwang rio, a riyundai rieavy sporcesinai.

This year's currency swing is also having a positive impact on South Korea's automobile industry. Aided by the price advantage, South Korean automakers exported 313,000 cars during the first seven months of this year, up 38.5 percent from the first seven months of

1992, according to industry figures.

In addition, the high yen is boosting South Korean exports of electronics, particularly semiconductors, which compete head to head with Japanese products.

Samsung Electronics Co., Korea's largest electronics concern, projects that Korean semiconductor exports will rise 56 percent to

\$2.5 billion this year.

Not all Korean industries will gain from the high yea. Most of the nation's industrial and home electronics businesses rely on Japan for vital high-value-added parts and components. That means they will pay more, and that higher cost will be reflected in product prices.

### **Key Hosokawa Ally** Calls for 50% Cut In Japanese Taxes

TOKYO — A key figure in Ja-pan's ruling coalition said Monday he favored cutting direct taxes and other radical measures as part of a long-term plan to overhaul the econ-

Ichiro Ozawa, who left the Liberal Democratic Party in June to form the splinter Japan Renewal Party, said he favored cutting direct taxes -income, residential and corporate - by 50 percent and raising the 3 percent consumption tax on goods and services.

"Direct taxes account for 76 percent of tax revenues, and that's too

much," said Mr. Ozawa.
"I don't support small-scale tax cuts because the problem with the economy is a structural one," he said at a news conference. "We need to introduce tax, financial and fiscal measures," adding that they should be "well-rounded, bold policies."

The government of Prime Minister Morthiro Hosokawa is expected to finalize by Sept. 20 an economic package of short-term measures designed to cut red tape and to pass on the benefits of e strong yen to

Separately, a government panel is expected to draw up a draft for long-term structural change by the end of the year.

With the economy in recession, pressure is mounting on Mr. Ho-sokawa and his coalition partners to unveil effective fiscal and mone-

"We're not going to go back to a period of high growth," Mr. Ozawa said. "Thanks to such growth, Japan has been able to develop to this level, but what we need now are economic and fiscal policies to help change the industrial infrastruc-

Mr. Ozawa said that efforts to reform the economic structure would also ease trade tensions between Japan and the United States. an issue expected to dominate a meeting between Mr. Hosokawa and President Bill Clinton in New York at the end of the month.

Japan's failure to reduce its trade surplus with the United States has been a main factor behind the yen's surge of nearly 20 percent against the dollar since January.

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#### Very briefly:

Investor's Asia

 South China Morning Post Ltd. shares remained suspended Monday in Hong Kong because of plans by Rupert Murdoch to sell his 51 percent stake. Company executives said they had been informed discussions were under way between Mr. Murdoch's News Corp. and a third party. Robert Kuok, a Malaysian tycoon, is believed to be interested in the purchase.

 Toshiba Corp. said it planned to reduce its work force of 75,000 by about 5,000 over the next five years through attrition and hiring curbs. Japan's sales of imported vehicles rose 5.8 percent in August, to 13,735 units, from a year ago, the seventh consecutive monthly rise.

Union Paper Holdings Bhd., a Malaysian paper products company, was relisted on the stock exchange after a ten-week suspension amid allega-tions of share rigging and insider trading.
 AP, Bloomberg, AFP, Reners

### **Profit Doubles at Australian Woolworths**

SYDNEY - Wonlworths Ltd., the retailer that in July completed the largest public share offering in Australian history, said Monday that profit in the 53 weeks ended June 27 doubled on a 14.2 percent gain in revenue.

The grocery and discount-store chain, unrelated to the U.S. compa-

improved to 10.49 billion dollars. Woolworths' stock rose 3 cents, to

2.97 dollars, on the result, 21 percent above the price of 2.45 dollars for its float of 1 billion shares. The profit was above the 166.3 million dollars forecast by the com-

pany in the prospectus.
"In a newly floated company, ny of the same name, said its after- the primary focus will be on whethtax profit rose to 1712 million Aus- er we can match our forecasts, tralian dollars (\$111.6 million) from said the retailer's chairman, Paul

Simons, "Our record in forecasting has been very accurate." Mr. Simons reiterated the com-

current year and aftertax profit to rise to 188.5 million. The executive said he expected these increases would mostly come from higher sales in existing stores. A lift in existing stores was experienced last year, due to extended

states and a program of store refurbishment, the company said. But Mr. Simons also said the pany's earlier forecasts for sales to rise to 11.32 billion dollars in the company would spend about 96 million dollars on new stores in the

Woolworths is expanding its su-permarkets in high-density and high-population growth areas. It is also planning to add between four and five Big W discount stores annually to the year 2000, in addition trading bours in several Australian to the 58 existing stores.

#### Murray to Deutsche Bank

SINGAPORE — Deutsche Bank AG said Monday it has appointed Simon Murray, former group managing director of Hutchison Whampoa, as group chief executive for the Asia-Pacific region. Mr. Murray will take the post in January.

He came to Asia in 1966 to work for Jardine Matheson

Group, where he was employed for 14 years, holding positions in in Bangkok, Hong Kong and London, a bank statement said. Last month Hutchison ancounced in Hong Kong that Mr. Murray was resigning. The chairman of Hutchison,

Li Ka-shing, said Mr. Murray would continue as a nonexecu-tive director and a consultant.

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### TRAIN: Slow Service in China

Continued from Page 11 to all of China's trains could not in China, they are more or less fund critical expansion and mod-

We welcome private investment in railway construction," said Mr. Zhang, whose company is considered among the most innovative thinking fund-raising railway administrations in China. "But we know the rates will have to be raised to guar-

antee profitability."
To build the Shanshui-Maoming railway line to Guangdong's western districts, Mr. Zhang's company devised an innovative financing

**EUROPEAN FUTURES** 

"Whatever projects you lonk at viable. There are enormous gaps between supply and demand," said Tadashi Kondo, a senior project engineer with the ADB. "The issue is how to introduce commercial

Freight rates oo the Shanshui-Maoming line are double prevailiog rates on other lines and a impse of the future in Chinese rail

"Railways in China have social obligations built into their tariffs package with help from the Asian Development Bank. His company put up 30 percent of the funds, the central government 30 percent and the remaining 40 percent was raised from domestic bond sales and borrowing from banks, including the ADB.

other financing obligations built into their tanking the free passengers, said for freight and passengers, said Mr. Kondo. "Gradually the Chinese government is liberalizing, and rates will come to reflect actual costs, but the process will take several years. Change will occur most quickly on smaller projects in individual provinces."

### MERGER: Renault-Volvo Will Challenge Germans as Well as Japanese

Continued from Page 1

will be brought by Renault, Volvo can make an impact on the German luxury carmakers, which dominate this market," said Edmund Chew, automotive analyst with Nomura Securities in London. "Volvo can bope to break the Germans' domination" in the market for cars with engines of two liters or more, he

He said that with its own quality bolstered by Renault, which has made a big leap forward in this domain over recent years, Volvo will be in a position to lower its

DM (\$3,600) currently paid by buyers of Mercedes-Benz. "People are willing to pay a pre-mium for quality, but there's a lim-

it." he said Renault-Volvo, based on 1992 figures, would have European sales of around 330,000 units in the luxury class, putting it behind Bayer-ische Motoren Werke AG, with 550,000 units, and Mercedes, with 425,000 units. Volkswagen AG's Audi AG unit sold 150,000 cars in

this class, General Motors Corp.'s Adam Opel AG sold 120,000 cars and Ford Motor Co. sold 58,000

the European market in 1993, put-through Volvo's American dealer ting it on the froot line to challenge Mercedes, which leads the truck market with 30,4 percent, said John Lawson, automotive analyst with DRI/McGraw Hill in London.

"On the assumption that it will become stronger as result of this combination, Renault-Volvo will be very powerful throughout Eu-rope," Mr. Lawson said. "It will definitely put pressure on Mer-

Mr. Lawson said the merger could allow Renault to re-enter the U.S. market soon, He suggested prices enough to undermine the In trucks, Renault-Volvo will Renault's product pipeline, such as deal could lead to a single brand "quality premium" of up to 6.000 have an estimated 19.5 percent of a new minivan, could be sold emerging in the United States.

network. Volvo sold 68,000 cars in the United States last year. Mr. Schweitzer, however, said

there were "no plans to go back to the United States in the passenger car business." He did oot mentioo the van market. Renault, after years of losses

pulled out of the U.S. market in 1987, selling its controlling stake in American Motors Corp. to Chrys-

While Mr. Schweitzer and Mr. Gyllenbammar are pledged to keeping the products lines sepathat several products currently in rate, analysis also suggest that the

### RENAULT: French Company Is 'Driving Force' in Merger With Volvo

Continued from Page 11

continued management control by the French state and Volvo.

This has been done through creauon of a bolding company, RVC, with 51 percent held by Renault SA and 49 percent by Volvo. RVC will in turn own 35 percent of the shares of Renault-Volvo RVA, which is likely to be a larger stake than any other single shareholder, even after privatization of Renault, Volvo

Volvo RVA.

Thus, with 17.85 percent of Renault's 65 perceot total share in the ocw concern beld through RVC. only the balance that it will own directly -47.15 percent - will be subject to privatization. Volvo, on the other hand, will own 17.15 percent through RVC and 17.85 per-

French privatization plans, both Renault-Volvo RVA and Renault SA

will eventually be publicly traded. Although Mr. Longuet suressed that Renault would be the "driving force" in the new concern, the delicate problem of how to find places for both Mr. Schweitzer and Mr. Gyllenhammar was resolved by creating a supervisory board and a

and Renault SA will initially own the rest of the shares in Renault
RVC without mutual agreement.

Mr. Gyllenhammar is expected to head the 14-member supervisory board, which will have a voice over key financial matters. It will also appoint the management board, comprising three Renault and two Volvo representatives.

> Internationale Nederlanden Group

### First six months 1993

The results of Internationale Nederlanden Group for the first six months of 1993 show a satisfactory increase. Compared with the first six months of 1992 net profit rose by 8.9% from NLG 824 million to NLG 897 million. Profit per sbare went up by 5.8% to NLG 3.62. Total assets increased by 4.7% to NLG 338.8 billion and the Group capital base rose by 18.0% to NLG 19.7 billion.

The results have been determined in accordance with the new accounting principles which are being applied by ING Group as of 1993.

The figures for the first six months of 1992 have been adjusted to the new accounting principles to allow a proper comparison.

The Executive Board expects that the profit per share for the whole of 1993 will at least equal the figure for 1992.

Amounts in Dutch guilders	Six months 1993	Six months 1992	% Change
(in millions)			
Result before taxation	1,229	1,126	+ 9. t
Net profit	897	824	+ 8.9
(in guilders)			
Net profit per share	3.62	3.42	+ 5.8
Interim dividend	1.60	· t.55	+ 3.2
	June 30 1993	December 31 1992	
(in billious)			
Total assets	338.8	323.7	+ 4.7
Investments	129.7	128.7	+ 0.8
Bank lending	146.3	139.3	+ 5.0
Group capital base	19.7	16,7	+ 18.0



The report for the first six months of 1993 can be obtained at the following address: Internationale Nederlanden Group, P.O. Box 810, 1000 AV Amsterdam, The Netherlands. Tel.: (+31120 541 54 60, fax: (+31) 20 541 54 51.

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cent directly. The two companies pledge not to sell their shares in management board.

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The Ionian and Popular Bank of Greece S.A. (the "Bank") invites interested parties to submit offers for the purchase of its interest in IONIAN HOTEL ENTERPRISES, S.A. (the "Company"). The Bank holds approximately 91% of the shares in the Company. The Company is registered on the Athens Stock Exchange and its market capitalisation at the close of business on 2 September, 1993 was approximately 14.3 billion

The Company owns two luxury hotels, namely the ATHENS HILTON and the RHODES IMPERIAL in Rhodes, with a capacity of 453 and 403 rentable units respectively. The financial position of the company, based on the financial statements dated 31/12/1992 is as follows:

13,404,440,000 drachmas, divided Into 13,404,440 bearer shares with a nominal value of 1,000 drachmas each; 20,567,760,886 drachmas; 11.072.180.903 drachmas.

The Bank Invites investors who are interested in the purchase of the above mentioned block of shares, or a block of shares which constitute at least 80% of the total issued share capital of the Company, to submit sealed bids during the period 7 to 27 September, 1993, from 9:00 a.m. to 12:00 mid-day, which sealed bids must be accompanied by: (a) a letter of guarantee with a validity of six months (which can be extended), issued by a recognised bank and with a value equal to the amount of the bid, and |b) certificate(s) of due authorisation. Such persons will be bound to participate in the negotiations for the sale of the package of

The bids must state precisely the bid price and the terms of payment [cash, In whole or In part, Interest rates, security/collateral, etc.] and must be submitted to the Financial Services Department of the Ionian Bank [4th Floor, 6-10 Har. Trikoupl Street, Athens, attn. Mr. G. latrellis, Director], in the presence of Athens Notary Public, Mrs. then Christia-Mbal, by 12:00 mid-day Athens time on Monday, 27 September, 1993. The above mentioned deadline is final and following its expiry no other bids will be accepted. In addition, only bids made on behall of a single body corporate or partnership or by a single individual will

The bids will be opened on Monday 27 September, 1993 at 1:00 pm in the Board Room of the Bank (Panepistimiou and Pesmazogiou Streets, 1st Floor, Athens! by the above mentioned Notary Public in the presence of the senior management of the Bank and those who have submitted bids, should they wish to be present. A table showing the details of each bid will be drawn up. The best three bidders will be invited on the same day to submit improved final bids by 3:00 pm of the following day 128 September, 19931, with a minimum value equal to that of the highest of the above mentioned three bids or any other greater amount determined by the Bank. These final bids must be accompanied by a letter of guarantee with the same six-month maturity and for an amount equal to the excess of the final bid over the initial bid. The final bids will be opened on the same day [28 September, 1993] at 4.00 pm in the Board Room of the Bank and in the presence of those persons mentioned in the

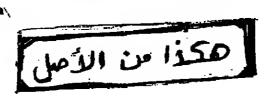
The successful bid will be that which, In the sole discretion of the Bank, offers the best combination of price

The Bank retains the right, at any stage of the bidding process, to accept or reject any offer made without any compensation to any of the bidders. In the event that a bid is accepted, the shares will be transferred to the successful bidder. The transfer will be effected by the signing of the Share Transfer Agreement.

Should the successful bidder not execute the Share Transfer Agreement or fall to fulfil his obligations, the Letter of Guarantee will be called upon. Each bidder and the successful bidder shall bear all costs and expenses (including, without limitation, stamp duties, taxes, levies, etc.) In respect of its participation in the bidding process and the transfer of shares. A sample of the letter of guarantee, and copies of the Offering Memorandum and the Share Transfer Agreement will be available by the Financial Services Department of the Bank to interested investors or their duly authorised representatives, upon the signing of a Confidentiality Agreement.

For more information Interested parties may contact the Bank at the address below: Ionian and Popular Bank of Greece S.A. Financial Services Department 6-10 Har. Trikoupi Street, 4th Floor, Athens

**IONIAN BANK** 



## SPORTS BASEBAI

### Toronto, With Loss, Falls Into AL East Tie as NL West Race Tightens

### Angels Beat Blue Jays, 5-1, Orioles Only 2½ Games Out

It's n three-team race again in the

The Toronto Blue Jays dropped into a first-place tie with the New York Yankees when Californin rookie Phil Leftwich pitched a sixhitter Sunday to beat the visiting Blue Jays, 5-1.

And the Baltimore Orioles, con-sidered dead a week ago, finished

#### AL ROUNDUP

6-0 at California and Oakland and were only 212 games behind Toron-to and New York on Monday.

The Angels swept the three-game series against the Blue Jays, who struggled on their West Coast trip. going 4-6 at Seattle, Oakland and Anaheim

"You can't get frustrated about who beats you," said the Blue Jays' second baseman, Roberto Alomar. They're a big-league team. They're trying to win. There's no-body to hlame."

Leftwich, making his eighth start since joining the rotation on July 29, walked two and struck out five. Toronto's only run came on a single hy John Olerud in the ninth. The Angels hunched five soft

singles in the second inning to get a 2-0 lead off Pat Hantgen. A checked swing by rookie Chris Turner produced an opposite-field bloop single that scored Eduardo Perez from third base. Rod Correia

then singled in Torey Lovullo.

Chili Davis's homer, his 20th, made it 3-0 in the fifth, and his runscoring single with one out in the seventh chased Hentgen and made it a 4-0 lead. Mark Eichhorn entered and allowed a sacrifice fly to Perez,

Davis's two RBIs gave him 93 for the season, matching his career high posted in both 1988 and 1991. Davis's single in the seventh scored Chad Curtis, who had singled to extend his hitting streak to 18

Earlier in the day, the Yankees, still buzzing over Jim Ahbott's nohitter the game before, scored four runs in the first inning and went on to beat Cleveland. 7-2. Mike Stanley hit a two-run

homer in the opening inning and Randy Velarde's two-run homer made it 6-1 in the second. Orioles 9. Athletics 2: In Oakland, bome runs by Brady Anderson and Chris Hoiles helped Balti-

more win its seventh straight. Mike Mussina got the victory for the Orioles, who swept the A's in the three-game series. He pitched eight innings, allowing two runs on five hits and two walks while striking out seven.

We're going to try and keep the pedal to the metal as long as we an," said the Orioles' manager, Johnny Oates.

Twins 8, Rangers 3: Center fielder Shane Mack sparked two rallies al catch to take a fifth-inning game back of Kansas City.
bomer from Roh Ducey as MinneMariners 3, Brewers 2: Randy



A stealing Luis Polonia was tagged out by second baseman Roberto Alomar, but it was the Blue Jays who took the fall in California.

sota, playing at home, beat Texas. Johnson won his career-high 15th

That dropped the Rangers into game of the season, striking out third place in the West, seven 13, and Greg Litten's two-run with doubles and made a sensation- games behind Chicago and a half- double in the sixth put Seattle ahead to stay against visiting Mil-

Johnson leads the major leagues with 254 strikeouts.

In an earlier game, reported in some Monday editions:

White Sox 5, Tigers 3: Frank

Bell combined for live homers and Thomas and George Bell homered

as Chicago swept a three-game series in Detroit. The White Sox have

### Giants' 7-6 Defeat by Cards Puts Braves Just 21/2 Behind

really starting to feel the pressure on a 2-1 pitch.

over the Atlanta Braves in the National League West was cul to 2<sup>t</sup>2 make it 6-6.

Phillies 5, Reds 3: Philadelphia zi's ninth-inning single off Rod Beck gave the Cardinals a 7-6 victory over the Giants in St. Louis.

David Justice's two-run homer in the eighth inning had rallied the and 10 hits in three-plus innings. Braves to a 3-2 victory over San Diego earlier in the day.

In the back of your mind, no matter what inning it is, you figure they have a chance to win." Beck just playing outstanding baseball. What are you going to do?" The Giants hlew a three-run lead

in losing and their starter. Bill Swift, failed in his fourth attempt to win No. 18. He has been reached for 16 earned runs in 14% innings

his last three starts. Pinch-hitter Gerald Perry's tworun double chased Swift in the Car-dinals' four-run sixth, putting them ahead, 6-5. Pinch-bitter Ozzie Smith had a sacrifice fly off Kevin Rogers and Todd Zeile capped the inning with an RBI single off Mike

Todd Zeile got a walk off Dave Burba with one out in the ninth, Bernard Gilkey followed with a ground-rule double and Mark Whiten was walked intentionally to load the bases. Beck came on and

struck out pinch-hitter Erik Pappas The San Francisco Giants are before Pagnozzi singled to center

Matt Williams hit Rob Murphy's Their once-commanding lead first pitch of the eighth for his 30th wer the Atlanta Braves in the Na-

reached Tun Pugh for four runs

#### NL ROUNDUP

then after Chris Sabo's two-run homer made it 4-3 in the sixth held on to win in Cincinnati.

Rockies 4, Pirates 1: Freddie Benavides, who entered the game said of the Braves. "The Braves are as a pinch-runner, drove in three runs, two with a triple in the eighth. as Colorado swept visiting Pitts-

burgh.

In earlier games, reported in some Monday editions:
Astros 7, Expos 1: Luis Gonzalez

homered, hit two doubles and drove in two runs while Mark Portugal pitched five-hit ball for eight ings as Houston ended visiting Montreal's nine-game winning L

Cubs 2, Mets 1: Pinch-hitter Glenallen Hill's two-run homer with one out in the bottom of the

ninth gave Chicago its victory over visiting New York.

Marlias 4. Dodgers 3: Walt Weiss's sacrifice fly broke an eighth-inning tie as Florida, playing at home, rallied to beat Los

### Hostetler, Shell and Raiders Win

Jeff Hostetler bested Jim McMahon in a battle of prominent quar-terbacks playing their first Nation-al Foothall League game with new teams. And Art Shell prevailed over Dennis Green in the first matchup of the only two black head coaches of the league's mod-

Both victories - in the same

game - were decisive. In the first half. Hostetler completed 14 of 15 passes for 150 yards and one touchdown to help the Los Angeles Raiders take a 21-0 lead, and they went on to overpower the Minnesota Vikings 24-7 in a season opener Sunday in Los Angeles.

For the game, Hostetler, signed as a free agent during the off season after nine years with the New York tiunts, completed 23 of 27 passes for 225 yards. He was intercepted once and was sacked just once.

McMahon, signed as a free agent with the Vikings after playing for the Philadelphia Eagles the last vards with two interceptions in the decisive first half.

One of those thefts was returned 36 yards for a touchdown by Terry McDaniel with three minutes left ia the second quarter to make it 21-

McMahon finished 15-for-27 for 161 yards, but he was at his best long after the outcome had been

start to finish. Among other things, he helped the Raiders dominate in time of possession, 39:35 to 20:25, "It seemed like everything

clicked," he said. Throwing almost everything short, he completed 15 straight

#### NFL ROUNDUP

passes at one stage, and he led all rushers in the game with 34 yards on eight carries. Saints 33, Offers 21: New Or-

leans, playing at home, turned fumble recoveries by Frank Warren and Toi Cook into 14 points early in the fourth quarter to open a 26-point lead against Houston.

Morten Andersen kicked four field goals to help the Saints cruise past the mistake-prone Oilers, who found themselves down to their third quarterback in the final peri-

Richardson were injured in the three years, was just 4-for-12 for 42 fourth quarter, neither seriously, and Houston finished the game with Cody Carlson behind center. With New Orleans already holding a 19-7 lead early in the fourth quarter, linebacker Sam Mills hit Moon, and the resulting fumble was scooped up by Warren. He

Both Warren Moon and Bucky

returned it 47 yards for a touch-

1-yard run. Giants 26, Bears 20: Phil Simms threw a go-shead, one-yard touch-down pass to Jarrod Bunch with 1:07 left, and Lawrence Taylor sealed New York's victory in Chicago with a lumble recovery in the

Simms directed an 80-yard drive, completing a 24-yard pass to Chris Calloway on third-and-18 and a 38yarder to Mike Sherrard to set up

The scoring pass to Bunch was set up by a pass interference call in the second quarter and an intenthe end zone against cornerback tional safety on the game's final

Anthony Blaylock.
On Chicago's first play from scrimmage following the touchdown, Taylor, playing his first game since tearing his Achilles' tenders have been seen to be held. don last year, stripped the ball from the Bears' quarterback, Jim Harbaugh, and recovered the fum-The game marked the Giants' coaching dehut of Dan Roeves, 20-17 deficit.

for 14 years, and the Bears' coaching debut of Dave Wannstedt, former defensive coordinator of the Chargers 18, Seabawks 12: John

Carney broke his team record with six field goals in a victory over visiting Seattle.

own. Carney put San Diego ahead to Minutes later, Moon again fum-stay with a 32-yarder with 3:21 left bled and Cook recovered. Two in the second quarter, and the Jackson, the first tying the score at

Hostetler was at his best from plays later, Derek Brown scored on Chargers held on to win their first season opener since they defeated Miami on Sept. 7. 1986.

Rookie Rick Mirer completed 20 of 27 passes for 152 yards for Seattle, which has lost its season opening game four straight years.
The only touchdown of the game

came 53 seconds into the contest when Joe Nash intercepted a pass Stan Humphries and returned it yards to put Seattle in front. After that, the only points the Seahawks could muster came on a 27yard field goal by John Kasay in

In earlier games, reported in some Monday editions:

Dolphins 24, Colts 20: Dan Marino hit Greg Baty with a one-yard touchdown pass with 35 seconds left, his third scoring throw of the day, to rally Miami in Indianapolis.

The Dolphins drave 80 yanis in The Dolphins drove 80 yards in 13 plays in the final 4:29 to crase a

Marino hit newcomer Keith

the march going. touchdown p
The Colts had taken the lead on in his career. Dean Biasucci's 33-yard field goal

Dean Biasucci's 33-yard field goal Fagles 23, Cardinals 17: Heath with a little over five minutes left in Sherman and Randall Cunningthe game.

Marino also threw touchdown as Philadelphia extended its home passes of 40 and 27 yards to Keith winning streak to 10 games.

Jackson, the first tying the score at Cunningham carried 10 times for



Byars with a 12-yard pass in the driver period and the second drive and hooked up with rookie Terry Kirby for 11 yards to keep the march going.

7 in the first period and the second drive and hooked up with rookie giving the Dolphins a 17-10 advantage in the third period. The three touchdown passes give Marino 294

49 yards against Phoenix and went over the 4,000-yard mark in career rushing, the first quarterback ever touchdown passes give Marino 294

5 going to running bacvk Eric Metover the 4,000-yard mark in career rushing, the first quarterback ever touchdown passes give Marino 294

6 going to running bacvk Eric Metover the 4,000-yard mark in career rushing, the first quarterback ever touchdown passes give Marino 294 to do so. He also completed 18 of 29 passes for 192 yards. Browns 27, Bengals 14: Bernic Kosar threw for 167 yards and a

touchdown and the Cleveland defense held visiting Cincinnati to 55 rushing yards. Kosar completed 18 of 30 passes,

Lions 30, Falcons 13: Rodney Peete threw for 178 yards and one touchdown, and Jason Hanson

kicked three field goals against Atlanta as Detroit won at home. The Lions jumped to a 14-0 lead

in the first quarter on a 26-yard touchdown run by Barry Sanders and a 35-yard interception return for a touchdown by George Ja- 🗡

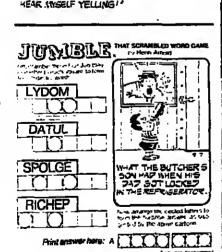
Peete was 11 for 20 with no interceptions, while Atlanta's quarterback, Chris Miller, was 26 of 50 for 260 yards with two interceptions.

AT THE MOVER'S WAREHOUSE ... THEY SAID IT WILL TAKE TWO DAYS TO REPAIR THE DAMAGE!

(AP. UPI)



SOY, THAT BUS IS WORY! I COULD HARRING



AROUA STOOP BUSILE DEATSE to Jergely 9 And the Par County extent in the prison quarter acres of TRIFED BASIS

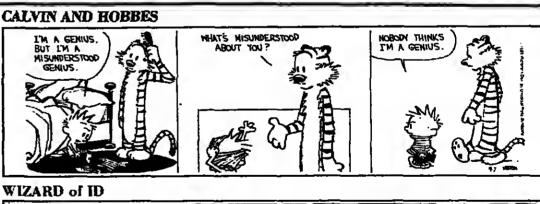
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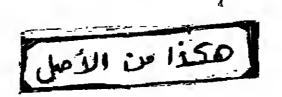












# SPORTS SOCCER

### A Tangled A Bold Move, Maybe Necessary, but Dangerous for the Sport Trail in **Bribe Case**

PARIS - The hribery case that has shaken French soccer started at the Novotel in Valenciennes, where the local team was staying May 19 on the eve of a crucial league match

against Marseille. Defeat the next day would con-sign Valenciennes to the second division. Victory for Marseille would virtually ensure a record fifth consecutive league title and set it up for the European Champions' Cup fi-

nal against AC Milan six days later. According to the Valenciennes players sharing the room - Jacques Glassmann, Jorge Burruchaga and Christophe Robert - all three heard the phone ring.

Robert, who answered says it was Marseille defender Jean-Jacques Eydelie who was calling. Robert passed the phone to Glassmann. who also says he spoke with Eyde-lie. Eydelie then allegedly put his team's general manager. Jean-

Pierre Bernès, on the line. Glassmann says Bernes offered him 200,000 francs (about \$34,550) to take it easy against Marseille. The next two events got the af-fair properly started; Glassmann's almost immediate announcement

that a bribery had been offered

and, a month later, Robert's admis-

sion that he had received 250,000 francs as a bribe. Police dug up 242,000 francs in the back yard of Robert's aunt. Rohert's wife. Marie-Christine, said she had picked up the money from Eydelie, an old family friend who immediately denied the

The Roberts were the first to be formally put under judicial investi-gatioo, a step that can lead arrest, and charged with corruption. They were joined by Eydelie and Burruchaga and, on July 6, Bernès, too,

Then Valenciennes' former coach, Boro Primorac, accused the have enough evidence. Marseille team's owner, Bernard Tapie, of offering inducements to take the blame for the affair during a meeting at Tapie's headquarters

in Paris. Tapie denies having met Pri-morac, and has a alihi in Jacques Mellick, a Socialist deputy for the northern town of Bethune, who says that he had a meeting with

Tapie on the afternoon in question.

But doubt has been cast on Mellick's alibi. Next to enter the case was Eyde-lie's wife. Christine, Unbeknown to the midfielder, she told police her

He pleaded France's case before husband had privately admitted his involvement in the bribery attempt, hut said he was only acting under

Bernes's orders. July 9 brought together the main protagonists in the drama - Glassmann, Burruchaga and Robert and the investigating magistrate.

defense. But days later, he said that champion, AEK Athens. his wife's version of events was the French league president.

Noël Le Graet, said before the passed since the allegations of hrib-

On July 21 there was another be replaced if barred. Paris-St.confrontation, this one including Germain runner-up to Marseille in the league standings, said after-stuck to his guns and, in the abstract to take over. sence of any material evidence "PSG does not wish to participate against him, was released the fol- in the competition for which it did

lowing day. Since, the legal case has be slowed by summer vacations, al- also said it would refuse to replace though Mellick, Primorae, Burru- Marseille, Monaco, which finished chaga and Tapie have all made third, had yet to indicate whether it

L a precipice. By barring Olympique Marseille from defending its European Championship, the authorities have made either a magnificent defense of the morals of sport, or have been so preemptive of French justice that they could invite the terrible wrath of Bernard Tapie. And this, if it comes, could make the gov-

eming of soccer virtually untena-

What worries me is this: The French police and judiciary have been trying to nail Marseille on the corruption charges for three months, and obviously, with no court dates on the agenda, have so far no conclusive

From that, surely, Tapie has the right to be presumed innocent until proven guilty.

magistrates are not yet sufficiently satisfied to test Marseille with the law of the land.

And with Tapie screaming that the European ban will cost his club between \$65 million and \$75 million, we may believe his threat that Marseille will

first liquidate and then explode. More than that, Tapie publicly has received the support of France's president, François Mitterand, and casts aspersions on the way police investigators have elicited the confessions from players. Tapie, arrogant and defiant as ever, even tells us

this is a both a dastardly Parisian act to discredit Provence, and a plot by rightists to harm the socialists and to ruin Tapie financially.

UEFA, making a judgment where neither the French league or the French federation dare, has opened itself up to retribution. I hope it never comes, I hope that the rulers of the world's most

For all the accusations and rank suppositions, the popular game are proven right in their brave inter-

UEFA, and it's big brother, FIFA, certainly needed to do something. The Marseille affair was beginning to reek wherever football is played and

To wait for the interminable course of legal justice to arrive only compounds the rumor, the belief, that clubs putting profit motive beyond sporting ethics can get away with it. But this sum-mer, the soccer authorities in Poland gave a strong lead by acting unilaterally on alleged corruption in

Without waiting for police or courts, the Polish soccer federation took the 1993 title away from Legia Warsaw, and took points away from runner-up LKS Lodz after suspicious results. The clubs were each fined \$28,700 and none of their players has been selected for the crucial World Cup qualifying match against England on Wednesday.

A ND EVEN AS UEFA decided what it had to do about Marseille, the Georgian champion. Dynamo Tbilisi, was instituting a complaint procedure against its banishment from the Champions' Cup after it allegedly attempted to bribe the referee for the match against Linfield of Ireland

Someone, somewhere, has to be guilty. But a governing body, like soccer's UEFA, is not a legally empowered court of law, and the ramifications of attempting to stop the rot that pervades all of life could have ruinous aftershocks.

by offering him \$5,000.

But have we no compassion? For Tapie, for Marseille, I can think of little. The club has aroused suspicion for far too long, and its president previous to Tapie committed suicide rather than tell all about his mismanagement. He left the club bankrupt; Tapie sought personal and political glorification in rescuing it. If he achieved that illegally, then whatever is coming will be his just deserts.

However, there is great sympathy for the French.

As we have observed before, it was Gabriel Harnt ho launched the Champions' Cup 37 years ago. ... In all that time, France waited and hoped for the

cup to be brought home. Finally, when it did so, l'Equipe, the sports newspaper of which Hanot was football editor.

raised the headline: "LE JOUR DE GLOIRE"

**Chang Advances** 

To the journalists who succeeded Hanot, and whom I personally know to share the vision and, the honor he brought to football, commiserations. But if this brave UEFA act is ever substantiated in . law, then far more important than feelings for our fellow men in Marseille - and remember, there are tens of thousands of innocent soccer supporters there — the upholding of the original purpose and meaning of the sport will emerge the winner.

#### BAN: Marseille Soccer Champs Out

Continued from Page 1

tions were part of a plot by Tapie's political and sports enemies to dis-

Although he has gone on the offensive now. Mr. Tapie had said in recent interviews that he would quit soccer and place the club in liquidation if Marseille were

own out of the European Cup. The UEFA executive committee members gathered at a hotel near the Zurich airport shortly after João Havelange, president of the international governing hody FIFA, met privately with the presi-dent of the French Football Feder-

ation, Jean Fournet-Fayard. Havelange has demanded that the case be cleared up quickly and has threatened to suspend the French national team from international competition, including the

World Cup, if it is not. The French federation, which last year won the hidding to he host of the 1998 World Cup finals, had promised to do so. But the league's disciplinary committee, after a could not act because it did not

A FIFA spokesman said no comment would be issued on the latest

"We cannot leave this for we took a decision." Johansson said that an initial

UEFA statement that the decision was provisional was incorrect and that the decision was final.

his UEFA executive committee colleagues, then withdrew while they deliberated. Holding back tears, be said, "We defended the French

case to the utmost." UEFA gave the French soccer ue on Sedi

meeting that Marseille would not not qualify." a team statement said. Bordeaux, which finished fourth.

UEFA said its decision was final for 1993-94 and that it reserved the right to review Marseille's eligibility for 1994-95.

Marseille players reacted with dismay.

"Everything has exploded," said defender Bernard Casoni. "There's no more future, no more OM, nothing. We had faith until the last minute. We were dumbstruck."
"It's as if the sky fell on our heads," said midfielder Jean-Phi-

lippe Durand. "We're very sad." Le Graet, who traveled to Zurich to try to persuade UEFA to reserve

judgment, said the European body had relied too strongly on rumors. "French football defended its procedures, it defended its own rules before UEFA, the rules of law," he said. "UEFA didn't want to hear our arguments. They estimated that the rumors were too persistent, that the media furor could harm football.

"Various press cuttings have belped UEFA take a negative decision for Marseille."

A war of nerves between FIFA nine-hour meeting Saturday, said it and UEFA on one side and French soccer authorities oo the other had preceded Monday's meeting.

French officials said they could not move against Marseille until a criminal inquiry into the matchfixing allegations yielded results. But FIFA threatened last week

months without any action," said UEFA's president, Lennart Johansson of Sweden, "We think it's obvious what happened, therefore ties did not act on the bribery allegations by Sept. 23. That would endanger the Freneb national team's likely place in next year's World Cup finals in the United

Sources said UEFA based much of its decision on an inconclusive report by the French league's disci-plinary committee, which questioned principals in the case Saturday, but then said it still lacked enough information to impose

punishment federation until Wednesday to name Marseille's replacement in "committee was disappointed "committee was disappointed to have opened its defense of the been unable, for whatever reasons, to produce any results of its investigations.

> ery were first made, he added that (AP. Reuters, AFP)

> > To our readers in Austria

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Johansson, referring to the Jean-Louis Levreau, the vice president of the Olympique Marseille club: "Deeply shocked."

### name Marseille's replacement in "committee was disappointed the Champions' Cup. Marseille was about the fact that the FFF bas to have opened its defense of the been unable for that the FFF bas been

Compiled by Our Staff From Disparches Colombia, with a 5-0 rout of Argentina in Buenes Aires, has landed a place in the 1994 World Cup. Colombia needed only a draw to the investigation was "a matter of advance to next summer's championship in the United States. What

it got was much more. With Freddy Rincon and Faustino Asprilla each scoring two goals and Rene Valencia adding another, Colombia handed Argentina ooe of its most humiliating defeats at

The ensuing wild celebrations day, Brazil moved closer to a berth had 20 people dead and 100 injured with a 4-0 victory over Venezuela: in brawls, car crashes and shoot- Uruguay eliminated Ecuador, 1-0. Harkes.

The recents to the college football poll, with first-place votes in parentheses, records through Seat. 4, total polati based on 25 points for a first-place vote through one polarit for a 25th-place vote, and ranking to the previous

SOCIETY

ITALIAN FIRST DIVISION

SPANISH PIRST TIVISION

ings across Colombia, police said and Paraguay's chances ended in a Petr Korda in the first round, had a

The field for the 24-nation World Cup is now one-quarter complete, with the United States (host), Germany (defending champioo), Mexico. Russia, Greece and

Colombia. Argentina, a two-time world champion, can still qualify for the World Cup by winning a two-leg

two matches left—at h Bolivia and at Brazil.

Derby County of series with Australia.

In other qualifying matches Sun-

SIDELINES

For the Record

Grand Prix, a doctor said Monday.

2-2 draw with Peru.

Brazil has 10 points and is tied with Bolivia atop the South Ameri-can Group B, whose top two teams

Mayfair Wins in U.S. Golf Playoff

Greater Milwaukee Open. Mayfair and Calcaveochia parred three playoff

Alberto Volpi, the Italian cyclist, was stripped Monday of his victory in last month's World Cup race in Britain after failing a drug test. (AP) loamnet Quintere of Cuba, the world high jump champion, said Monday she could be out of competition for a year after tearing her Achilles' tendon at a track meet Friday in Brussels.

(AP)

one: Uruguay, with 8 points, has two matches left —at home against

advance to the World Cup. Bolivia has two matches left and Brazil

 Derby County of the English First Division agreed to a £800,000 transfer fee with the Premier League club Sheffield Wednesday for American international John (AP, AFP)

#### 6-4 victory.

unplayable drop shot. Many players have criticized the

"Playing on center court here is very special," she said. "I feel like

With Sampras To Quarterfinals

before her first-round match, Gai-

dano reached the lourth round be-

that anyone from the qualifying

field had reached the fourth round

The women's top seed, Stelli Graf, who whacked her left knee

comfort as she thrashed Mary

much better than that," Graf said,

"There weren't any mistakes. You

don't play like that every day.

You've got to treasure these mo-ments. Sometimes it's there, You

Gahriela Sahatini, the 1990)

quarterfinal against Graf a little

In the final night match, No. 1

Jim Courier beat MaliVai Wash-

ington, 6-4, 6-4, 6-2, to reach the

fourth round against No. 15 Cedrac

Mats Wilander, the 1988 cham-

pion who produced a hrilliant comeback over fellov Swede Mi-

kael Pernfors in the second round

Pioline.

"I don't think I could have played

Pierce, 6-1, 6-0, on Sunday night.

of the main draw.

The Associated Press NEW YORK — Pete Sampras up a U.S. Open quarterfinal rematch of a rivalry that dates back had gone at the Open, and the first time since Petra Delhees in 1984.

pion and No. 2 seed here, beal Thomas Enqvist 6-4, 6-4, 7-6 17-4), after Chang, seeded No. 7, defeated Wayne Ferreira 6-4, 6-3, 6-4,

with her racket going for a shot-during practice in the morning and required ice, painkillers and the brace, showed not a trace of dis-Both Sampras and Chang grew up in California, and Chang re-called a three-set match against Sampras when they were about 7 years old.

Labor Day at Flushing Meadow saw big crowds - including the Hollywood couple Tom Cruise and Nicole Kidman — watching most

of the favorites win quickly.
Aranixa Sanchez Vicario, the
No. 2 seeded women's player, defeated 14th-seeded Nathalie Tau- don't dominate every day." ziat of France 6-4, 6-3. Sánchez will play in the quarterfinals against Open champion following Grafs Natalia Zvereva, who ended the two straight title runs, set up a run of lucky loser Maria Jose Gaidano. 6-0, 6-2. later by outlasting first-year pro-Alexander Volkov, the 14th- Lindsay Davenport of the United

seeded men's player, beat Chuck States, 6-7 (7-11, 6-4, 6-4, Adams, 6-2, 7-6 (7-2), 6-1. Sampras overpowered Enqvist, serving 19 aces and converting al-

most 90 percent of his first serves into points. Enqvist, who upset Andre Agassi in the first round, managed only

four break points and converted only one, when Sampras was serving for the match. Chang shook off an early chal-

lenge and rolled past Ferreira. A 6-4 loss, year ago, Chang beat Ferreira in 0 In the five-set quarterfinal match. Ferreira, who beat ninth-seeded

hreak point for a 5-4 lead in the first set, when a backhand volley skipped off the net cord and zoomed past a charging Chang. But the 1989 French Open champion saved that point, held serve for 5-4. then broke Ferreira for the first set

and breezed from there. "I was very fortunate in the first couple of sets because Wayne had quite a few break points and wasn't able to convert any of them." Chang said. "I think the third set, he was getting a little tired mentally."

Ferreira, from South Africa, failed to convert his first nine break points, finally turning one in the eighth game of the third set on a crosscourt forehand winner. He thrust his hands into the air in triumph, then held serve before Chang closed the match with an

FRANKLIN, Wisconsin (AP) — Billy Mayfair, who previously lost two PGA playoffs, made a 20-foot chip shot to birdie the fourth hole of a playoff Sunday with Mark Calcavecchia and Ted Schulz to win the Open this year, complaining about poor court conditions, bad food and noise. But Sanchez said she loved New York.

holes before Calcavecchia missed a five-foot putt for birdie to share second place with Schulz, who was out of the playoff after bogeying the the people like me and I have the support of the crowd. I feel very comfortable, and of course I like Wayne Rainey of the United States, the world motorcycle champion, is paralyzed from the waist down as a result of a crash during the Italian

could not handle the greater power and 15 aces of Pioline in a 6-4, 6-4. In the grandstand earlier, there

wasn't so much a tennis maich as a It was Richard Kraffeek sur iving two match rounts in the forte:

set, slamming his tacket and getting boord in the lourth, absorbing all the power that Todd Martin of the United States could muster in the fifth.

Finally, it was the Dutchman serving his 23d and 24th aces. And just like that it was over.

Krajicek had won the longest match of the U.S. Open this year and one of the longest in history with a 6-7 (7-4), 4-6, 7-6 (11-9), 6-4.

#### U.S. Open Results

Men's Singles Third Round Mognus Larsson, Sweden, del, Richard Fromberg, Australia, 5-2, 7-5, 7-6 (7-51; Jamie Margan, Australia, def. Carlos Costa, Spain, 7 & 19-71, 7-6 17-11, 7-6 17-217 Richard & rapides 6 W71, 7-6 17-17-7-6 17-21? Richard & raices-1101. Netherlands. def. Todd Martin. Lansing. Mich. 6-7 (7-41, 4-6, 7-6 +11-7), 6-4, 6-4 \* Cedric Plotine 1151. France, def. Mots Wilandor Sweden, 6-4, 6-4. Jim Courset 111, United States, def. Molival Washington. United States, 6-4, 6-4, 6-2.

Michael Chang 17, U.S. del. Wayne Ferraira South Airica. 6-4, 6-3, 6-4; Pete Samaras 121 U.S.del. Thomas Enqvist. Sweden, 6-4, 6-4, 7-6

comfortable, and of course I like this tournament."

While Chang, Sampras, Volkov and Sánchez cruised into the quarterfinals, luck finally ran out for Gaidano of Argentina.

A loser in qualifying but lucky enough to make the field when Mary Joe Fernandez became ill just sentence, 6-4, 6-3. Nothalis Tournament of the following sentences of the field when Mary Joe Fernandez became ill just sentence, 6-4, 6-3.

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Genoo, 2; 9, Fogglo, 2; 18, Juventus, 2; 11,
Idinese, 2; 12, Remo, 2; 13, Luxie of Rome, 2;
14, Respirono, 1; 15, Ilie) Lecca, 8; 16, Maneut, 8;
17, Cogliori, 0; 18, Piocenzo, 8; Roms 0 1 0 000 6

Sundary's Results

Detroil 30. Atlanta 13

Claveland 27. Checinnett 14

Denver 26. New York Jets 20

Kanses City 27. Tompo Boy 3

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Miorni 24. Indikanopolis 20

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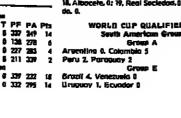
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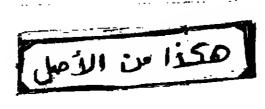
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SPANISH FIRST INVISION Steedlegs: 1, Reat Modrid: 2; 2, Aftivetic de Allbao. 2; 3, Barcelona. 2; 4, Vatencia. 2; 5, Sevillo. 2; 6, Soorting de Gijon. 2; 7, Tenerile, 2; 8, Afterica de Modrid, 2; 9, Rocting. 2; 10, Deportiva La Coruna. 1; 11, Cella. 1; 12, Zaro-90211.0 ; 13. Raya Vallecano,0 ; 14. Logranes,0 15. Lielda.0 : 14. Valladolid. 0 : 17. Osasuna. 0 WORLD CUP QUALIFIERS Argenting 0. Columbia 5





#### ART BUCHWALD

### A Year (50 Issues) Free

WASHINGTON — You may have noticed that more and more subscription cards are falling out of magazines on the floor lately. All you have to do is open your favorite publication and your living room is instantly littered with pieces of paper, begging you to subscribe for 16 weeks for 12 cents, and you don't have to pay until 1995. These cards are the second

highest cause of pollution in the United States after metal flip tops from beer ME

The most tragic case is the town of Dunno, Colorado, where it was recently

Buchwald an entire bousing development had been constructed over a landfill of old sub-

scription cards from leading magazines in the United States. Homeowners are furious over the deception but legally have no recourse. Their lawyers tell them that they should have tested for subscription cards in the soil before they bought their houses.

But people around the Eldorado golf course development feel cheat-

Fred Slug said, "How can anyone sell a man a house when he knows that the land beneath it is filled with subscription offers

#### **Box Office History** Made in Hollywood

The Associated Press LOS ANGELES - A set of vinematic blockbusters has made this

the biggest summer in Hollywood "Jurassic Park," "The Firm" and
"The Fugitive" have helped box
offices sell more than \$2 hillion in tickets from the end of May to September, Exhibitor Relations

Co. Inc. estimates. The previous record was \$1.99 billion in 1989. By last Friday, sales totaled \$2,09 hillion, analysts said. The season's gross may top \$2,2

pleading with readers to buy Peo-

I said. "Didn't you have any inkling of what various publications were doing?"

"Well, I saw a Vanity Fair truck pull up across the street when I first moved here, but I thought that it was dumping unsold magazines. I didn't know it was getting rid of all the subscription cards. Another time I was driving home at midnight and a Time magazine bulldozer was pushing millions of cards into a hole that later became Jeff Freidman's hackyard. I thought it was funny at the time."

I decided to go over to Jeff Freidman's house, I asked him, "Do you get any funny sensations sitting on llions of subscriber offers?"

"It's so had that we cao't sleep at night. What worries us the most is that they're cards offering 78 per-cent off for new subscribers. We have no idea what kind of pollution these offers contain."

Mrs. Freidman said, "I hate the ones that say 'postage paid' on them. A man came in with a Geiger counter the other day, and every time he passed over a 'postage paid' card he lit up like a Christmas

Have you called the magazines and asked them to remove the subscription cards from the landfill?"

"They claim that there's no way of doing it. They are buried all over the development. I telephoned Newsweek to complain about their cards and they sent out a reporter. All he did was write a story on us called 'America's Subscription Card Junkyard.

So far the U.S. government refuses to get involved in the mess. inaintaining that the subscription-card garbage is a First Amendment

An administration spokesman said, "It's hard to separate what is written in magazines from their subscription appeals. We are well aware that at some point they will have to be treated like nuclear waste. But at the moment we have no intention of forcing the publishers to stop inserting them in their periodicals. Besides, the magazine executives claim that every time a card floats down to the floor, someone gets exercise picking it up."

### The War Over Woodstock, 25 Years Later

By David Blum New York Times Service

N EW YORK — Three American men in their late 40s have to get up every morning and consider this fact as they shave: They created Woodstock. This, as it turns out, is a lot to consider, and has

probably resulted in a few nicks. Now, here's what those three men think of next, after they get done thinking about what they did for a few rainy days in August 1969, which, in their rainds, is that they changed the world. They think about how much fun it's going to be to do it again next summer, on the 25th anniversary.

"This time we're going to do it right," said Michael Lang, still the curly-haired moptop head-shop owner who dreamed up Woodstock and became an instant music mogul. With John Roberts and Joel Rosenman, - his former partners, Lang has begun the planning of Woodstock 1994. This one will likely take place at Winston Farm in Saugerties, near the town of Woodstock itself — and some 60 miles (100 kilometers) northeast of Max

Yasgur's farm in Bethel, the original site. "Actually." Lang explained, "this is where the first one was going to be." But like the summer of 1969. Lang and his partners must realize their dream against the hackdrop of a war that, like Vietnam,

is a muddled battle with few heroes.
This time it is The War of Woodstock.
On the other side of the battlefield is the National Multiple Sclerosis Society. Hoping to raise millions of charity dollars, it also plans an anniversary concert for that August weekend next year. The executive producer, Robert Gersch, described an event for 40,000 people that will offer creature comforts to ticket-holders to his concert - such as 1,000 seats at \$5,000 apiece, with chairs, waiters and luxury hotel accommodations.

In the shadows of the battle is the legacy of Woodstock itself — half-a-million people in the right place at the right time, making history. Naked and muddy and stoned, they poured through gates that never were onto a field too small to hold them. In front of them on a massive makeshift stage, a succession of classic '60s groups like The Who, Ten Years After and The Band, and legendary soloists like Joan Baez, Jimi Hendrix and Janis Joplin rocked the Cats-kill mountains, and beyond them a culture

on the edge of apocalypse. Efforts to recapture the spirit of that historic moment have failed -- except per-haps in the lown of Woodstock, which has cast itself as a kind of '60s theme park, it's easier to buy beads in Woodstock than a roast-beef sandwich and real-life hippies congregate in the town square like it's a be-in. Tourists flock to Woodstock every August for the anniversary: many of them



Dress rehearsal for a generation: Intent young members of the crowd at Woodstock, August 1969. Can it be done again?

have fun pretending to be wasted, checking out local bands or muttering to them-selves about "getting back to the garden."

Lang's version of a new, improved Woodstock will offer certain amenities unavailable to the half-million people who made it the last time. At the Woodstock of his dreams, a 1,000-person private security force will control a crowd of 250,000, each of whom will have bought a \$95 ticket through a lottery six weeks ahead of time. From eight different parking lots near the New York State Thruway, 350 shuttle bus-es will carry ticket-holders to the site. And this Woodstock will last only two days. In 1994, two days of peace, love and music, the producers believe, is enough.

"The time is right," Lang said. Lang and his partners declare that their concert will be the only true Woodstock anniversary concert because they own exclusive rights to the word. "There will be one and only one Woodstock festival next year." Lang

said flatly, "and it will be ours." Gersch conceded the name, but will offer ticket-buyers his own unique feature:

ACROSS

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The charity concert will be held at the original site of Woodstock - Max Yasgur's farm in Bethel, now owned by June Gelish, who has leased it to the charity for next summer's event.

'If you own the name Woodstock, you can have Woodstock II in the Astrodome on Easter Sunday," Gersch said evenly when asked to compare the two events "But I think, on the anniversary of Woodstock, people will want to come back to where the first festival really happened." Gersch has rather cannily sidestepped the copyright issue by calling his concert "The Festival at Max Yasgur's Farm," banking on the lure of the land — the fields of Sullivan County where Woodstock first

"Woodslock was more a state of mind than a piece of land." Lang retorted. "Anyway, 99 out of 100 people think Woodstock was in Woodstock."

Woodstock bad become a cliché almost before it was over, ABC News once went searching for the babies born at Woodstock, to no avail. And The Woodstock Times — the local weekly — has covered anniversary news on the front page the way The New York Times covers Bosnia. In any case, to locals these rituals have become a summer staple - like "Jaws" sequeis.

To some, the hoopla has never really stopped. On the 20th anniversary in 1989. Michael Lang and his partners tried to mount a concert at the Berlin Wall, but Warner Bros. - which owned a large chunk of rights after making the Oscar-winning 1970 movie and two albums from the original concert — blocked it. At that time, Lang expressed a slightly different attitude about anniversary concerts.

"Really," Lang explained to a Rolling Stone reporter in 1989, "we weren't interested in doing a big show in upstate New York. I lived through one of those already. It was enough."

Lang has since changed his mind. For Woodstock Ventures — the company formed by Lang and his partners in early 1969 to produce the first festival — this marks their first chance to recoup the

#### **PEOPLE**

Bush's Grandson Helps Him Out With Nintendo:

OK, so what did those folks in Atlanta get for their \$100.000? George Bush, who ran the Gulf War from the White House electronic command room, told them he was learning to play Nintendo. His master is his 8-year-old grandson, and in the gallery is another grandson, this one 4 months old. Such lung power." he told 75,000 video game distributors in a speech for which he was paid \$100,000. "I'm convinced he will be an American senator."

Italian actress Giulietta Masina, 72, the wife of Federico Fellini, has been hospitalized in Rome for nervous depression brought oo by herehusband's recent stroke.

The composer Michel Legrand was awarded the prize for best French composer to have reached fame in the United States during the 19th festival of American movies in Deauville, France.

Jerry Lewis opened his 28th annual telethon against muscular dys-trophy in Las Vegas with a promise: "We are going to beat this." Lewis, who is under fire from activists for the handicapped who feel that his show is demeaning, hopes to surpass last year's record total of \$45.8 million. Helping out the 67year-old comedian were Jay Leno. Lynn Redgrave, Ray Charles, Willie Nelson and Carol Burnett.

The Big Oops: In London to promote "The Fugitive," Harrison Ford huried a time capsule outside a theater and then started to talk instead about the 1985 hit "Wilness." The crowd shouted "cut!

Rocky Mountain Low: The Windstar Foundation, an environmental group that singer John Denver founded 17 years ago, is suffering serious money trouble as the American recession bites deeper. Windstar was rescued in 1981 when the National Wildlife Federation assumed about \$850,000 in debts.

INTERNATIONAL CLASSIFIED Appears on Pages 3 & 12

#### WEATHER

## Europe Forecast for Wednesday through Friday, as provided by Accu-Weather. North America Europe

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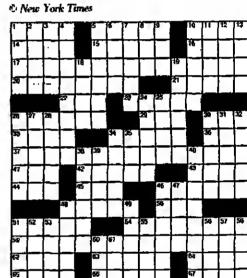
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31 Spanish poet Garcia ---32 Provides 34 Lessen

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# "I wonder 1† the little guy had tun today

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